


The NATIONAL UNDERWRITER

Life Insurance Edition

AMERICAN LIFE CONVENTION

Ye Olde Maine Almanac For 1951

Q. Define old maids?



*Five years John spent hunting tonicks,
He drank all the kures in the land,
And lost so much flesh he was forced
To hold up his pants with each hand.*

A. Embers from which the sparks have fled.

KALKULASHUNS

JAN RESOLVE - Sell Union Mutual Insured Savings Plan

FEB SLIPPERY - Good time to sell Union Mutual Non-Can S & A

MAR Income Tax Time - review of business reveals need for Business Insurance

APR SPRING - renewed vitality for selling Union Mutual Preferred Risk

MAY Union Mutual Double Protection Plan sells easily

JUN WEDDINGS - Need for Family Income

JUL VACATIONS - Retirement Plans provide future vacations

AUG Back to work - ideal Programming time

SEP SCHOOL AGAIN - sell Union Mutual Juvenile Insurance

OCT New Homes ready - Mortgage Retirement protects family

NOV Group and Wholesale make fine Xmas gifts for employees


DEC XMAS - Let the season be Merrie

TOP KNOTS

The best tonic for tuning up sales performance is still ringing doorbells and telling your sales story. But tell it intelligently and well. Union Mutual helps the field underwriter do just that. Union Mutual's sales kits* are modern, easy to use, attractive to the prospect, complete. They are professional tools for the professional underwriter... double-edged to make more sales—and dollars — in both the Life and Non-Can Sickness and Accident markets.

* Union Mutual sales kits are field tested — tried out under actual selling conditions before being released.

Founded in the Year 1848



UNION MUTUAL

Life Insurance Company

ROLLAND E. IRISH, President

*Portland, Maine
Home Office*

FRIDAY, OCTOBER 12, 1951

Fred S. coaches a WINNING TEAM



and...

every play is a touchdown play

No weak positions on this team.

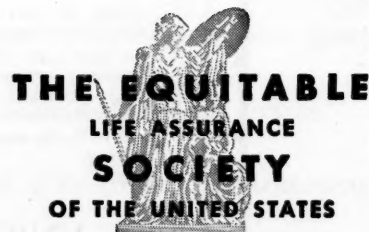
Fred S. has shown them all how to reach their goals—whether that goal is a paid-off mortgage—a care-free old age—or a college education for the kids.

It's not surprising that Fred is one of the most respected men in town. His friends and neighbors know he can line up a perfect defense against troubles—or help them plan a drive to realize their hopes.

Thanks to Fred's coaching—scores of men in his town have security and freedom from worry. Good friend, good neighbor, good citizen—he serves his community well. He's proud to be an Equitable man...and you may be sure the Equitable Society is proud of him!

★ ★ ★

One of a series of advertisements illustrating how a representative of The Equitable Life Assurance Society serves his community by selling life insurance.



LISTEN TO "THIS IS YOUR FBI"...official crime-prevention broadcasts from the files of the Federal Bureau of Investigation...another public-service contribution sponsored in his community by The Equitable Society Representative.

EVERY FRIDAY NIGHT • ABC NETWORK

THOMAS I. PARKINSON, President • 393 Seventh Avenue, New York 1, N. Y.

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Report Price Sells 10,000 Jefferson Standard Shares

**Former President
Reputed to Have Made
\$4 Million Transaction**

GREENSBORO, N. C.—Ralph C. Price, former president of Jefferson Standard Life, who was unseated by the company's board of directors last year turned down a post as chairman of the board at an annual salary of \$50,000 on the grounds that the position was a "sinecure," has sold the majority of his stock in his company, it is reported reliably. The stock transfer is said to involve 110,000 shares which have a market value of between \$40 and \$42. Mr. Price has declined to either confirm or deny the sale and company officials have withheld comment on the sale which is believed to be the largest sale of individually-owned stock in the company in recent years and possibly in the 35-year history of the company. With Mr. Price and company officials maintaining a silence on the sale, which it is understood was planned for announcement Oct. 15, the names of the purchasers of the stock are not known but they reside in New York. The sale of the stock, which has a par value of \$10 per share, is reported to have taken place Oct. 1.

Maintains Board Status

Although Mr. Price turned down a post as chairman of the board of directors of the company after his removal as president, he has maintained his membership on the board. He is the son of the late Julian Price, one of the founders of the company.

After his removal as president in favor of Howard Holderness, a former vice-president, Mr. Price protested his unseating in several letters to stockholders a year ago, but an agreement with the company's directors, the details of which were never disclosed, was reached last December and he dropped his fight.

The next meeting of the company's directors is set for Oct. 22.

Estimates of the sale price of Mr. Price's stock ranged from \$4,000,000 to \$5,000,000, although one report had the figure as high as \$7,000,000.

California Warns Licenses Necessary for Fraternal Sales

Commissioner Maloney of California has sent notice to all fraternal societies to the effect that because of changes in the insurance code enacted by the 1951 legislature, fraternal agents, whether part or full-time, must obtain life licenses. The bulletin announces that all part-time agents, whether old or new, must obtain licenses. Special provision is made for part-time agent licensing, but a part-time agent who desires to change his status to that of a full-time agent is not entitled to a certificate of convenience but must qualify by examination.

The bulletin says that agents of fraternal benefit societies can no longer transact business for 90 days before making application for and qualifying for licenses.

Congress Tax Group Agrees to Friendly Senate Amendments

WASHINGTON—Before representatives of American Life Convention and Life Insurance Assn. left for the Toronto A. L. C. convention, the conference committee on the revenue bill had agreed upon Senate amendments supported by most of the life industry.

These included provisions for the 6½% tax program for life company income, and the definition of employee so as to include full-time life insurance salesmen, in connection with contributions to a pension, profit-sharing, annuity or bonus plan.

House representatives on the conference committee likewise agreed to a Senate amendment relative to employees' trusts involving distribution of an employer corporation's securities.

House conferees agreed to the Senate amendment disapproving withholding tax on dividends and interest.

Private Casualty Deductions

A Senate amendment to allow deduction of a private individual's non-business casualty losses was also accepted by House representatives. These agreements assured retention of the above provisions in the finished tax bill as it goes to the President.

The conference committee agreed to Senate amendments as follows:

Amendment No. 254, (section 609) of the bill, concerning reversionary interests in case of life insurance, with an amendment; No. 251 (section 606), on transfers conditional upon survivorship; No. 252 (section 607), on transfers with income reserved; No. 253 (section 608) on transfers taking effect at death.

80 Attend Michigan Department Institute

LANSING — More than 80 members of the Michigan department gathered last week at Michigan State College to hear leaders of the business review the history and purposes of state supervision at a two-day seminar.

The idea of the institute was conceived by Commissioner Navarre, who explained at the opening session that it was planned to give department personnel a fresh view of their responsibilities and opportunities.

Robert E. Dineen, vice-president and secretary of Northwestern Mutual Life and former New York superintendent, was first industry speaker. He said he regarded the institute as one of the finest developments in American public life. Explaining that the absence of competition in the regulatory field places a tremendous responsibility on members of the insurance department to maintain high standards, Mr. Dineen declared "it should be a must for every regulatory agency to submit to a periodic overhauling, to get fresh bearings and to make sure that it is as lively and animated as the business it regulates."

A highlight was the appearance of Gov. G. Mennen Williams. In an extemporaneous speech, he congratulated the department on its undertaking. Other industry representatives participating included William Leslie, general manager of National Bureau of Casualty Underwriters; Ambrose B. Kelly, manager of Factory Mutual Rating Bureau; Walter O. Menge, first vice-president of Lincoln National Life; E. J. Faulkner, president of Woodmen Accident; Jack G. Sharp, Michigan special agent of Commercial Union; Newell R. Johnson, assistant manager of American Mutual Alliance, and John Panchuk, vice-president and general counsel of Federal Life & Casualty.

Frank Sullivan Saluted by 250

By WILLIAM J. GESSING

TOPEKA—About 250 attended the "industry" dinner for Frank Sullivan of Kansas in honor of his recent election as president of National Assn. of Insurance Commissioners.

Governor Arn of Kansas, in behalf of the Kansas companies, presented a wristwatch to Mr. Sullivan. In responding Mr. Sullivan complimented the Kansas company executives on their dedication to the aim of building companies of stability and character and he said the state governors should seek for appointment as insurance commissioners, men of equal caliber. He complimented the members of his staff and paid his respects to the other commissioners present who included Lange of Wisconsin, Dickey of Oklahoma, Leggett of Missouri, Stone of Nebraska, Murphy of South Carolina. Mr. Sullivan outlined some of the supervisory problems that exist today.

Master of ceremonies was H. O. Chapman, president of National Reserve Life.

The Kansas host companies were: Alliance Cooperative, Alliance Mutual Casualty, American Home Life, A. O. U. W., Central States Fire, Cimmarron Casualty, Farm Bureau Mutual, Farmers Alliance, Farmers & Bankers Life, Farmers Mutual, Farmers Union Mutual, Great American Life, Kansas Blue Cross-Blue Shield, Kansas Farm Life, Kansas Bankers Surety, Manhattan Mutual Life, Midland Mutual Fire, National Reserve Life, Pioneer National Life, Preferred Fire, Pyramid Life Republic Mutual Fire, Security Benefit Life, Southern Kansas Mutual, Standard Life, Upland Mutual, Victory Life, Western Casualty & Surety, Wheat-growers Mutual Hail.

Line Up Program for Zone 4 N.A.I.C. Parley

Insurance Director Day of Illinois is putting the finishing touches on the program for the zone 4 meeting of N.A.I.C. at St. Paul, Oct. 22-23. He has been attending some of the other zone meetings and making notes.

There will be a period the morning of Oct. 22 devoted to developments as to performing insurance department functions. Commissioner Navarre of Michigan will comment on the institute that was held in his state for the improvement of insurance department operations. Hugh Tollack, assistant secretary of N.A.I.C., will discuss central office activities and Mr. Day will report on proposals that have been made in the past for increased state cooperative action on A. & H. policy examination, rate revision research and other subjects.

In the afternoon there will be a forum of authorities from the insurance departments and from the business on the future of automobile insurance. Mr. Day opines that the growing automobile insurance crisis is the most pressing problem with which the departments are faced. L. H. Sanford will be one of the speakers on this.

The next morning will be reserved for a discussion of recommendations that are being made to the zone 4 commissioners by the raters, chief examiners and A. & H. supervisors. The plan is to have an executive session that afternoon.

Minn. Federation Date Set

The annual meeting of Insurance Federation of Minnesota will be held at St. Paul Oct. 23. The program is now being arranged.

Eye Allegation of Insurance Mask for Income Tax Fix

**House Group Probes Cozy
Dealings of St. Louis
People**

WASHINGTON — Insurance men and transactions have figured recently in testimony before a House ways and means subcommittee headed by Rep. King, California, investigating internal revenue operations. Witnesses included J. Martin Brodsky, St. Louis insurance man; Donald E. Kelly, John Hancock general agent in that city; Rudolph H. Hartmann, special intelligence agent in the St. Louis internal revenue office; James P. Finnegan, who recently resigned as internal revenue collector at St. Louis, and his brother Hugh, of Manhasset, L. I.

Hartmann testified James Finnegan in 1949 and 1950 was paid by the Dudmar Insurance Agency (Brodsky's firm) \$4,700 in currency and checks; \$1,000 against a bank loan; \$300 for expenses of a business trip; \$193.11 for insurance premium on an automobile. Hartmann said some of this went directly to Finnegan, some to his wife, some to a son, James P., Jr., a law student.

Hartmann said Brodsky, through Dudmar agency, sold policies to people having tax troubles, including Valley Steel Products Co., Joe Berg of Berg's Market, Inc., Dr. Norman Rathert, and Missouri Paper Stock Co.

Regarding a policy allegedly sold by Brodsky to Valley Steel, Hancock's Mr. Kelly testified that Brodsky in the spring of 1949 went to see him and discussed a life insurance policy for somebody else. Brodsky said he had "formed an association with Mr. Finnegan in an insurance agency . . . there were a great many St. Louis firms with tax delinquencies and that he would follow these firms . . . and in making his presentation to prospects he was telling them he was from Finnegan's office—not the collector's office, but his insurance office."

List Is Mentioned

Kelly said Brodsky told him of a list of tax-trouble people which the witness thought had come from Finnegan. He said Brodsky arranged for a policy for one of the top executives of Valley Steel, but two or three of them failed to pass medical examination, and it was finally decided to insure Philip Muennig, a minor employee, for \$30,000. But the latter also failed to pass, although the company had borrowed \$23,886.37 from a bank to pay the premium, according to Kelly.

He said shortly after Brodsky submitted the Muennig application he asked the \$700 commission be sent to Finnegan in Washington; that Kelly refused and so wrote Finnegan, but the letter was returned.

Kelly said the premium was refunded in two checks: one to Muennig for \$1,486.37, the other for \$22,400 to a bank which had loaned the money. The check to Muennig, Kelly said, was approximately the amount Brodsky would have received as commission if the policy had been approved. But the Muennig check actually ended up in account of Dudmar Insurance, which had been opened the

day that check was written. It was dated Aug. 5, 1949.

Hartmann said the Dudmar account existed only a month, that it was a joint account requiring two signatures for checks, and that the names of Brodsky and Marguerite Desmond, Finnegan's secretary, were on the three checks drawn on the account. Hartmann said \$100 withdrawn from it was applied against a Finnegan bank loan, \$300 went to Finnegan as reimbursement for trip expenses, and the remaining \$186.37 went to Brodsky.

Checks Are Identified

Miss Desmond identified the checks and said she "guessed" Finnegan had told her to sign them.

Richard V. Clark, Jr., St. Louis insurance man, said he and Brodsky had discussed a three-way split on business profits under which Brodsky would get two-thirds and Clark would get one-third, that Brodsky told him one-third would go to Finnegan. Walter C. Huermen, St. Louis insurance man, testified relative to Brodsky's activities.

Brodsky testified several hours before the committee during which he categorically denied statements of previous witnesses. This moved Chairman King to refer a transcript of the hearings to the Department of Justice for consideration in connection with a possible perjury investigation.

Brodsky declared Finnegan was his old family lawyer and it was natural he should pay him \$500 monthly retainer on account of the former's insurance business.

Although it had been testified that Finnegan and Brodsky were insurance partners and Finnegan's share of 1949-50 profits was \$6,193, Brodsky denied the money paid was a business cut, also that Finnegan had given him a list of "tax trouble" people. He said the Dudmar bank account was not set up to protect a fee Brodsky owed Finnegan but as a matter of convenience so that when he was out of town checks could still be drawn on the account. Persons authorized to sign were Brodsky, Finnegan, his attorney, and Miss Desmond.

The witness admitted Finnegan had originally "entertained" the idea of participating with Brodsky in the insurance business, but later decided it would be inadvisable. Brodsky said Finnegan earned his \$500 a month retainer by examining insurance contracts and furnishing advice.

Regarding the witness Clark, Brodsky said he had "passed bad checks to several of my clients" and that Finnegan had advised him not to let Clark hang around the office any longer.

Rebuts Brodsky's Denial

Rebutting Brodsky's denial that Finnegan supplied him with a list of tax-trouble prospects, Hartmann said Brodsky had made a statement last January in which he referred to "the names furnished me by Mr. Finnegan."

Later Brodsky returned to the stand and was asked if he heard Hartmann's statement. He answered:

"I did and it's false to start with. When it's false, I have the right to deny it."

Hugh Finnegan was brought into the picture in connection with introduction of east coast internal revenue collectors to Daniel Friedman, partner in Estate Research Bureau, New York insurance concern. Under questioning by Committee Counsel Adrian DeWind, Hugh told how his St. Louis brother had arranged for him to see Collector Francis Smith in Philadelphia. Accompanying him was Friedman.

"Did Friedman ask Smith if he would be interested in forming an association with the Research Bureau?" asked DeWind.

Finnegan said he did not know. At a second meeting a week later, Finnegan said, Friedman again talked insurance with Smith, but he did not remember details.

Asked whether he and Friedman had



Personalities at dinner for Frank Sullivan, Kansas commissioner, and president of N.A.I.C., at Topeka: Elmer E. Shurtliff, vice-president of Victory Life and chairman of ticket committee; H. O. Chapman, president of National Reserve Life and manager of ceremonies; John Hutton, secretary, and Edgar C. Bennett, president of A.O.U.W. of Newton, Kan.; Russell R. Brown of Kansas department, and Pendleton Miller, general agent for New England Mutual Life at Topeka.



visited Dennis Delaney of Boston in 1949, who was fired as collector last summer, Hugh Finnegan said he had called Delaney direct and his brother James was out of it.

"Didn't the Estate Research Bureau pay Mr. Delaney \$2,500 and pay you and your brother \$2,500?" DeWind asked.

Witness said he didn't know what was paid Delaney, but Hydroplane Corp. of which Hugh is president and Friedman a stockholder, received a payment from Estate Research.

Visit Woolen Company

Hugh and Friedman visited Maxwell Shapiro, of a woolen company near Boston, the former testified, Delaney calling Shapiro and making the introduction. Hugh could recall nothing else.

DeWind asked about an alleged remark about James Finnegan being scheduled to become internal revenue

commissioner and suggested that was a way of saying when that happened Shapiro's tax difficulties could be adjusted.

Hugh couldn't remember any such remark, but had "no doubt about it." He said that Friedman did the talking with Shapiro, and after Shapiro phoned Delaney he agreed to do business with Estate Research, and after some assurance from Delaney by phone Shapiro gave Friedman a check.

Delaney is under indictment on the charge, among others, of having accepted \$2,500 from Friedman to sway his decisions on collection of Shapiro's income tax.

Former Collector Finnegan stepped forward and volunteered an explanation of payments by Estate Research to himself and Hugh and that he, James, had received a payment from Hydroplane Corp. as its counsel, which was the same sort of relationship James maintained he had with Dudmar Insurance Agency.



ARE YOU CONTENTED? YOU SHOULDN'T BE!

Contentment is a wonderful thing . . . for cows, maybe . . . for old retired men — but *not* for *salesmen*!

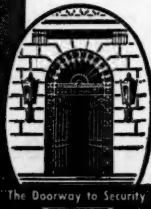
If you're satisfied with yourself and with the job you are doing, if you're contented with the money you're making — you're too easily satisfied!

The world's progress through the ages has depended on the people that were *dissatisfied*.

Inventors, explorers, thinkers, leaders — all are dissatisfied with things as they find them. They want to make something better, explore new continents, extend mental horizons, produce more for the benefit of mankind.

So, Mr. Life Insurance Salesman, for greater success — be *discontented*!

MORE THAN A HALF BILLION DOLLARS
INSURANCE IN FORCE



COMMONWEALTH Life Insurance Company

HOME OFFICE • LOUISVILLE, KY.

Actuaries Club of Southwest to Meet at Dallas Oct. 19-20

The annual meeting of Actuaries Club of the Southwest will be held at Dallas Oct. 19-20. The first evening there will be a reception for members and guests, followed by a dinner at 7:00 p.m.

The program will consist of discussion of these subjects:

1. New form of annual statement.
- (a) What, if any, additional records need to be kept?
- (b) What changes must be made in work sheets and in assembling data?
- (c) What interpretations must be made for publication and for comparison with statements of previous year?
- (d) What are the advantages and disadvantages of the new form?
2. What charges are made, credits allowed, evidence of insurability required, forms used and commissions paid in connection with the following types of policy changes: (a) lower to higher premium, (b) higher to lower premium, conversion privileges, (d) removal of reduction of extra premiums, (e) addition of disability, double indemnity, family income, etc.
3. What differences are there in administrative practices between industrial and ordinary insurance with respect to: (a) premium collection and premium accounting, (b) agency control and compensation, (c) reserves and net premiums, (d) other.
4. Actuarial education in the southwest: (a) At University of Texas, (b) Southern Methodist University, (c) at group at Southwestern Life, (d) other.

Stalson with Griffenhagen to Handle Insurers, Banks

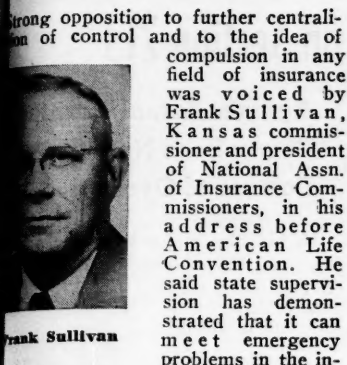
NEW YORK—Dr. J. Owen Stalson has become a principal in Griffenhagen & Associates, management consulting firm. He will have a major responsibility for the firm's professional practice regarding insurance companies and banks. Griffenhagen & Associates is one of the oldest organizations in its field, celebrating this year its 40th anniversary. Dr. Griffenhagen, who established the business with a small group of associates in 1911, now has more than 100 professional men associated with him in the organization.

Dr. Stalson is a graduate of Harvard graduate school of business and was later a member of the research faculty there. He will continue to serve in his present post at Columbia University where he is a director of the life insurance management research center and an associate in insurance at the graduate school of business.

Claim Changes Made

Pacific Mutual Life has simplified its claim filing requirements. The changes eliminate requirement of a funeral director's statement; provide for witnesses in place of notarizing on the claimant's statement, and in most cases permit acceptance of a certified copy of a death certificate without a supporting physician's statement.

Frank Sullivan Opposes Compulsion, Centralization



Frank Sullivan

Strong opposition to further centralization of control and to the idea of compulsion in any field of insurance was voiced by Frank Sullivan, Kansas commissioner and president of National Assn. of Insurance Commissioners, in his address before American Life Convention. He said state supervision has demonstrated that it can meet emergency problems in the insurance field in several cases that he noted, notably the situation that developed after the S. E. U. A. decision. In spite of the new legislation required, state and federal, and the need for orientation of the viewpoint of both companies and supervisory officials, he said that with the fullest cooperation from all branches of the business, insurance has accommodated itself to the pattern of state regulation under congressional mandate with relative ease. There are, of course, some problems still to be solved, including unauthorized insurance, valuation of securities, administrative rulings, qualification of agents and administration of retaliatory and deposit laws.

He expressed the belief that more than a partial solution of the unauthorized insurance problem has been reached through the unauthorized service of process act, false advertising act and unfair trade practices act, but that the issues have become more confused through the entrance of federal trade commission and other governmental authorities into the problem. Whether the line of demarcation will be established by further legislation or by litigation in the federal courts is still to be determined, he said.

Progress in Securities Valuation

He said notable progress has been made in getting away from the former variations in valuation of securities, especially through the setting up by N. A. I. C. of an efficient committee staff, capable of undertaking the necessary studies and carrying out the detail work, financed by assessment under state law in an equitable manner. He declared that there are still too few states participating in the program but that the support which the life companies continue to give to such legislation augurs well for exactment in additional states.

Mr. Sullivan hailed the new life company statement form adopted by N. A. I. C. as a decided forward step and expressed appreciation for the assistance given by the life company organizations. The old form, while on a cash basis, had some elements of a revenue statement, he said. "However, it was quite incomprehensible to many non-insurance people who understood accounting as practiced in fields other than insurance. The new form, although it retains many features of the old form, is developed along the accrual concept, and to that extent conforms to modern accounting practices."

He referred to the trend, as evidenced in provisions in insurance codes recently enacted in several states, toward including provisions outlining the exact procedure that must be followed by a commissioner in issuing rulings. He said such provisions should be studied carefully. While department rulings do not constitute law, they should be subject to the same appeal at all steps as cases pending on account of violation of law. He said he proposes to ask N. A. I. C. to assist in the preparation of model legislation along these lines. This

would do away with the situation where rulings are hastily promulgated, observed by a few companies, ignored by others, and finally allowed to fall into disuse.

In connection with uniform legislation generally, he said its enactment is rendered more difficult by the rapid turnover among commissioners and the fact that a new commissioner may not realize the importance of such legislation. He suggested that some follow-up system should be devised to remedy this defect and said the establishment of the assistant secretary's office at Chicago might make this possible.

Risk Can't Be Removed

Many proposals for government insurance, government guaranties and government welfare plans of many types, he said, are geared to the fallacy that risk may be removed by insurance. "But risk cannot be so removed. It can only be transferred and, when transferred, involves a premium. To the extent that we depart from the fundamental, we are likely to embrace unsound proposals."

He declared that the result of compulsion in any field of insurance, whether under a system where the premium is paid to private corporations or to government, is to deprive the individual of the choice as to the position in his personal budget that the premium for such insurance shall occupy. "During recent years," he said, "we have heard much talk of compulsory health insurance. I am for health insurance. I believe it is a fine thing for everyone to have. But I am not sure that everyone should be forced to buy it."



Robert L. Hogg, executive vice-president and general counsel of A.L.C.; Mrs. Hogg; Mrs. Ralph H. Kastner; and Mr. Kastner, who is associate general counsel of A.L.C.

Longshore Alabama Need for Research Insurance Director Funds Emphasized at A.L.C. Meet

H. A. Longshore, state commerce director, has been appointed by Governor Persons as director of the newly created Alabama insurance department, which was formerly a division of the commerce department. An attempt was made to separate the two during the administration of James E. Folsom, but he vetoed the proposal.

L. L. Gwaltney, Jr., who had been superintendent of insurance for the past four years in the commerce department, will return to insurance work.

Mr. Longshore, a Mobile insurance man, was named commerce director at the beginning of the Persons administration last January.

The need of universities for additional money for research was emphasized by Dr. Lennox G. Bell, dean of the University of Manitoba college of medicine, in his talk at the American Life Convention general session Thursday.

"What is the future of young men trained in research under grants in aid, or under such generous fellowships as yours?" he asked, referring to fellowships granted by the Medical Research Fund.

"The universities cannot afford to employ them as full-time investigators and the average man feels that he cannot exist on the salaries paid to full-time research workers in most academic institutions. Therefore, very often, just at the height of his usefulness and the full development of his skill, the research worker is obliged to turn to other fields of endeavor," Dr. Bell stated.

Many to Teach

He said many will seek teaching or administrative posts, while others will enter private practice, and a few will take positions with the pharmaceutical companies or in industry. Endowed research institutes within the universities, the granting of block sums of money to well known groups of research workers by the National Research Council, are attempts to solve the problem, he asserted, but smaller universities are faced with tremendous difficulties in maintaining a sustained program of research, carried on by highly trained workers.

It was pointed out that in Canada, the recent granting of federal aid to the universities will ease the situation somewhat, but the additional money thus obtained must be spread over many areas where the need is great and research is only one of these.

Dr. Bell praised the contributions that the life companies are making to medical research through the Medical Research Fund. He noted that of \$2 million spent in the United States and Canada on hypertension, arteriosclerosis and intravascular thrombosis in 1947, nearly \$600,000 came from the fund.

"In subsequent years, others have followed your lead, so that the total amount available for this type of research is increasing," he said. "However, when you think that the annual budget of the Sister Kenny Foundation is \$2½ million, a sum devoted to the care of a few thousand patients with poliomyelitis, it would seem logical that much greater amounts should become available to study cardiovascular diseases which annually kill more American citizens than were lost in World

Changes in Ways

Just beyond the suburbs of one of the great eastern cities automobile drivers along the main highway have been seeing some fine herds of beef cattle grazing. One of the famous western ranches was shipping half-grown steers East to fatten them up within quick-reaching distance of big-city markets. This was a new enterprise in marketing and a large sign along the highway acquainted the passing public with what was going on.

New ideas are creating new enterprises in every part of the country. The question is: Are you aware of what is going on in the way of new enterprises in your territory and have these enterprises been present long enough to get a steady footing?

The answer is that where there are new enterprises there are new prospects. Changing conditions bring about new markets, and where there are new markets conditions change. And then there are changes in ways of earning a living. This brings added reasons for both personal and business insurance — and new opportunities for alert underwriters.

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM
President

INDEPENDENCE SQUARE, PHILADELPHIA

War II—especially in a country where the national bill for distilled liquor is \$5 billion annually, where waiters and waitresses are tipped \$400 million yearly and where women spend \$500 million each year on cosmetics to make themselves attractive to men or to excite the envy of other women."

Dr. Bell mentioned that Canadian Life Insurance Officers Assn., through its committee on public health, has long been active in giving financial assistance to many health agencies which otherwise could not have survived. More than \$1 million has been contributed in this way over the last 25 years, he declared. Two years ago the association invited its member companies to participate in a medical research fellowship plan, he said, which resulted in an immediate response, so that now \$50,000 a year is available for medical research fellowships in Canada.

Berkshire Ups Alcombright

Berkshire Life has appointed Valmore E. Alcombright director of field service in its agency department. He joined the company in 1931 and has been connected with the Lucas agency of Berkshire at Pittsfield as a personal producer and has made a notable record in that capacity.

Prudential Alters Policy Rates Benefits, Forms

Prudential has reduced premium rates for weekly and monthly premium policies and regular ordinary policies issued at ages under 30, on all limited payment life plans and on endowments maturing in more than 20 years. The maximum reduction will occur at the juvenile ages.

There will be no significant change in the net costs on the basis of the company's 1951 dividend scale as a result of the reductions because dividends will be reduced by a similar amount. However, where the amount of the first premium is an important consideration, the reduction may make it possible to place a more nearly adequate amount of protection than before.

Interest Improved Outlook

The reduction in gross premiums was made possible because of the "improved outlook for interest rates on investments." The company has also reduced rates for ordinary single premium policies. Single premium policies will also

be available on 20-year endowment, endowment at age 60 and endowment at age 65 plans.

Among other changes are the elimination of graded benefits in juvenile policies written outside New York and Canada, except at the youngest age, and the offering on most juvenile intermediate policies of a benefit providing for waiver of premiums in event of the death of the applicant. This benefit will require an additional monthly premium but will make the policy fully paid-up in event of the death of the applicant at any time during the premium paying period.

Falls Leaves Insurance Institute

NEW YORK — Laurence E. Falls, secretary of Insurance Institute of America, will leave that organization Oct. 15, it was announced at the annual meeting here, to devote his time to operating his farm at Eagle Plains, N.C. Mr. Falls formerly was vice-president of American Ins. Co., and has been in insurance education 44 years. His successor was not announced.

Officers were reelected. One new governor was named, he being Charles F. Wright, vice-president of Springfield F. & M. Governors whose terms were expiring were renamed.

Supervisors Hear Palmer

H. Bruce Palmer, executive vice-president of Mutual Benefit Life, urged members of the New York City Life Supervisors Assn. to devote some time each week to civic and community work. In doing so, he said they could help to reduce or curb growing public acceptance of the philosophy of "I can't do anything about it," when the public refers to things going on in social, political or business life that it doesn't like.

Under the American system everyone can do something about it if they tackle big problems on the local level, he asserted. Salesmen are in an enviable position to spread democratic ideas, he observed, because of their daily calls upon the public. If three million American salesmen make 50 calls a year they make 150 million contacts, he said, and during them they can do the country, themselves and their business a great deal of good. This applies to life insurance agents particularly, he declared.

A. Robert Jacobs, John Hancock, president of the association, presided at the October meeting which opened the organization's 25th anniversary year.

Form Des Moines Law Team

Sterling Alexander, formerly Iowa insurance commissioner, and Richard W. Merryman, have formed a law partnership in the Equitable building at Des Moines under the title of Alexander & Merryman. Mr. Alexander is general counsel for National Assn. of Independent Insurers.



H. G. Kenagy, vice-president of Mutual Benefit Life; and George Dunbar, superintendent of agencies Mutual Life of Canada and a past president of L.I.A.M.A.

Cleeton Sums Up N.A.L.U. Position on Section 213

Agent's Actual Earnings Down: Sees No Danger of Over-Price

In his first major talk since becoming president of National Assn. of Life Underwriters, Charles E. Cleeton, general agent for Occidental Life at Los Angeles, signaled that the major legislative emphasis of N.A.L.U. this year will be placed behind revision of section 213 of the New York insurance law. He outlined comprehensively the N.A.L.U. position in the matter, saying that the members of his organization believe that the solution is the bill which was introduced into the New York legislature last February, which subsequently died by adjournment. He said that this proposed law has the advantage of being understandable in place of the generally incomprehensible actuarial-legal language of section 213. The N.A.L.U. bill deals alike with companies operating under the general agency and managerial system without giving the advantage to companies operating through managers, he indicated. It results in equal treatment of agents, uninfluenced by the question of whether the company happens to prefer to operate through general agencies or branch offices. The proposed law stipulates a definite and clearly stated maximum scale of commissions so that a company will find it possible to establish a commission scale without fear that the next year accounting will make the scale illegal. Mr. Cleeton said that the N.A.L.U. proposal makes provision for modest apprenticeship allowances for new agents, recognizing as virtually does every other business that the new man can scarcely hope to be fully self-supporting at the outset.

Provides Security Benefits

According to the N.A.L.U. leader, the proposed law would permit a company at its option, to provide security benefits in suitably limited amounts in addition to the payment of the stipulated commission scale. He commented that since this would in such cases be charged against agency cost and since some companies might find it impossible or inconvenient to include the cost of security benefits and agency costs, this is permissive not mandatory. The proposed new law would permit modest increases in total permissible commission. While there is no whole-life commission rise, some increases would be permitted on some of the lower-commission forms. Companies desiring to do so would in many instances be enabled to effect slight improvements in either the renewal commission scale or a service fee payable after the end of the renewal period.

He commented, "The increase which the proposed law would permit is most, not great. In the opinion of many sober and responsible field men, it is less than it should be. Nevertheless, a majority feel that the proposed plan along with permission to make company contributions to security benefit plans in addition to commissions, would



C. E. Cleeton

Sale-Making News

NO ONE has to tell the housewife what the high cost of living has done to her budget. *She* knows—better than anyone else.

No one has to tell the family man what this means to his life insurance. *He* knows—better than anyone else—that, at today's prices, the insurance he now owns will no longer buy what his family needs. He also knows that when it takes more money for groceries, it leaves less for new life insurance.

What he *doesn't* know is how little it costs to bring his insurance program up to *today's* par with Occidental's Income Protection policy.

Big sales are made telling him this good news.

★
Occidental Life

INSURANCE COMPANY OF CALIFORNIA

W. B. STANNARD, Vice President



...a Star in the West

"WE PAY AGENTS LIFETIME RENEWALS... THEY LAST AS LONG AS YOU DO"

be a happy compromise and a satisfactory adjustment.

Mr. Cleeton said that N.A.L.U. members believe that the need for greatly increased agent earnings, growing out of the greater demands of the job on one hand and the lesser value of the dollar on the other are such that the pressure of need for increased commissions becomes paramount.

He declared, "We submit that the life underwriter of today should benefit by the proposed liberalizations of the law on the grounds, first, that his job is more complex and he is worth more commissions and more earnings; second, that like all others in these inflationary days, his dollars buy less than he needs and he is entitled to increases on that account. We believe the dollar income should be so adjusted that the man who continues to make the same contribution to the good of society which he made 10 years ago will be able to enjoy approximately the same standard of living."

Mr. Cleeton said that when he came into the business 30 years ago the job of the agent was hardly more than seeking out buyers and showing them the wares. There were few advanced salesmen who possessed a great deal of technical training but the requirements were simple for the average salesman. He said that the agent's job is worth more because he must know much more and do much more.

He termed equally the fact that the agent now needs more just to break even because his dollars buy less and cited the increased earnings that have come about in almost every other occupation.

Take-Home Pay Decreased

He stated that there are some that incorrectly assume that the increased sales volume of life insurance has served to double the agent's dollar income thus enabling him to hold his own in terms of real income. He said that N.A.L.U. figures show that the agent's dollar income has not by any means increased sufficiently to offset the diminishing buying power of the dollar.

The speaker commented that a disproportionate part of the increase in life insurance sales has been on term and other low-premium forms, adversely affecting agents' earnings. He termed it true that even when an agent's production doubles and first-year premiums double, his total income does not double until his production has remained at a higher level for a sufficient number of years to allow his renewal income to pyramid fully.

Mr. Cleeton stated, "Our final point is the frank admission that any increase in agents' earnings may push upward correspondingly the cost of life insurance. But this calls for two comments: First, why not? The price of almost every other commodity and service has been materially increased to allow for higher costs per man hour. Second, even so, it is conceivable that increased

agents' earnings would not reflect increased costs to the policyholders.

"To deal with the first point, we freely acknowledge without apology that the proposed new law may serve to increase the cost of life insurance. But so long as we do not price ourselves out of the market, and assuredly we do not want to do that, and assuredly there is no danger of that, we certainly do not think that this is any conclusive argument against the proposed liberalization."

Mr. Cleeton dwelled on the analogy of

other producers of goods and services who have increased their charges within reasonable limits and have not priced themselves out of the market. He said that the confidence that costs will stay within reasonable limits is not based upon provisions of the law of New York state, but rather upon the proved power of competition for keeping costs at a minimum and dollar values to the buyer at a maximum. The workings of this system is assured in any competitive enterprise and life insurance is more com-

petitive than any other enterprise, he commented.

He said it is not conclusively certain that an increase in agents' earnings would bring an increase in life insurance costs. Any increase will be spread over the life of the policy and will not be great under the proposed law. Any such increase might readily be offset by nominal improvements in mortality or by inconsequential increases in interest earnings. He termed it often possible to decrease the overall cost of an

Expense-Free Compensation
Compensation plan is separate from expense. Overwritings—1st year and renewal—are yours!

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Liberal expense formula, includes starting allowance to cover office expense and to finance agency.

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Easy-to-attain qualifications entitle you to your renewals whether you live, die or quit.

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BOOST YOUR INCOME — BUILD A REAL FUTURE with this Liberal Agent-Planned Contract

The Midland Mutual went right to its successful general agency men—straight to the firing line—for full cooperation in writing and planning this popular Prosperity Contract. The result is a contract that offers you what it takes to make an agency truly prosperous. It gets right down to brass tacks on the things men in the field really need. It gives the whole agency a big helping hand right from the start.

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C. A. Macauley, Detroit pension consultant and retired Detroit general agent for John Hancock; and M. B. Cederstrom, vice-president and secretary of American Service Bureau.

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operation by increasing subordinate costs or even by introducing a new one. He cited as an example the firm which introduces a new pension plan and brings about improvements in morale, productivity, and turnover resulting in actual decreases in the unit costs of the firm. He continued the analogy saying that if improved agents' earnings growing out of liberalization of the New York law could bring about improvements in agent turnover, the results in reduced wastage might well offset the increased commissions and actually result in a decrease in cost to the policyholder. Improved agent turnover would serve to decrease policy lapse rates, as is generally considered probable, and the results in savings in wastage might far more than offset the increased commissions and the results might decrease costs to the policyholder.

Restraint of Members

Mr. Cleeton made the point that the average field man does not like to fuss with his friends in the home office and for that reason he may not have let the home office know the full extent of his feelings on the question of section 213 revision. Many a field man feels that the home office people favor the proposed improvements on the New York law as much as he does, so typically the agent has not been screaming about section 213, but his restraint should not be mistaken for indifference and his comparative silence should not be expected to prevail for as long in the future as it has in the past.

He said that N.A.L.U. deprecates the interaction of the various limits provided by the present law. Though in-

genious and idealistic, the plan of interaction has a couple of practical disadvantages. For one thing, a company cannot comfortably allow as much in the way of commissions as it might desire and as might ostensibly be permissible under the law because one set of limits might cross lines with another and then a margin for safety becomes desirable. These variable and interacting limits have the result of giving great weight to the proportion of old business to new which prevails in any particular company. In consequence, the company with a high proportion of old business to new business enjoys, in practice, a more liberal expense limitation than one with less old business or more new. A further consequence is that a company's limits thus vary from year to year as its ratios vary and it is a fact that it would be quite possible for a company to operate within its limits one year and find itself in violation of the law the following year with no change whatsoever in its practices or circumstances except a slight increase in the volume and proportion of new business.

Mr. Cleeton told the company executives, "You may feel this is primarily a home office problem, but it might be said of the man in the field that he feels that even if it is a home office problem, he is the fellow that finally picks up the check."

According to Mr. Cleeton, the present law makes no provision for dealing with the problem of the new agent who needs and merits special treatment in his early months in the business.

He commented that the present law

has the effect in practice of requiring the agent to pay for his own pension and other security benefits. While it is true that many companies operating under the New York law have in recent years instituted pensions and other security benefit plans which have been and still are contributory, it is also true that the company's contributions had to be dug out of what had previously been earmarked for agent compensation, he declared. One way or another, the agent found his compensation cut accordingly, directly or indirectly, to pay for the pension plan under the law.

Limits Are 45 Years Old

He said the present law limits the compensation to the agent to an inadequate amount, based on a level which was set 22 years ago and to all practical purposes to a level which was set 45 years ago. He declared, "During those intervening years, every other wage and salary ceiling of which we know has been broken through not one time but many. During those intervening years, the ability of companies not subject to New York limitations to manufacture and sell high grade, highly competitive life insurance merchandise has been abundantly proven. During those intervening years, the conspicuous success of companies able to reward their agency forces more liberally than permitted by the New York law has been the talk of the industry on more occasions than one."

The N.A.L.U. president said that another weak link in the agency system is the practice of some companies to allow solicitation by new agents who have not been given even fundamental training before being sent into the field. He reported that attempts of N.A.L.U. to get through model qualification bills in 17 state legislatures last year were frustrated almost completely, but that the association will continue attempts until every state in the union requires some evidence of fundamental proficiency of a new agent.

Program Given for Zone 3 Chattanooga Roundup

The program has been lined up for the zone 3 meeting of N.A.L.U. at Pat-ten hotel, Chattanooga, Oct. 16-17. Commissioner Allen of Tennessee, the chairman, is hospitalized and will not be able to preside as chairman. Mayor Olgiati of Chattanooga is scheduled to give the welcoming talk, and the response will be by Commissioner Larson of Florida. Then there is slated for discussion the question of whether the new A. & H. standard provisions bill should be enacted and, if so, how it will modify the provisions of the third edition of the official guide.

A sight-seeing tour is on tap for that afternoon and a reception and banquet for that evening.

The next morning there will be a discussion on: Should the application fee of A. & H. insurers be refunded pro rata if a company elects to cancel before the policy is carried a given period of time? Also credit life insurance. There is to be a luncheon for the ladies at the Fairyland Club and an executive session in the afternoon.



Mr. and Mrs. W. J. Cameron. Mr. Cameron is president of Home Life of New York.

Colonial Convention Draws 150 to White Sulphur

There were more than 150 managers and agents attending the annual convention of Colonial Life, White Sulphur Springs, W. Va. Following the opening of the convention by James G. Bruce, vice-president and secretary, President Richard B. Evans outlined the satisfactory progress of the company and said that insurance in force had increased to \$265 million.

Mr. Bruce described the modifications in the plan of compensation on week premium business. Now the collective commissions for Colonial Life agents will be increased to 14% of the premiums collected on their weekly premium debits. Mr. Bruce also described the more liberal hospitalization and surgical benefits that are now available under the group coverage on the lives of Colonial employees and dependents.

Mr. Bruce was monitor of a panel session on the company's newest sales aid, the house of security calculator.

To Honor Heppenheimer

President Evans described the terms of a resolution by board members to inaugurate a special production effort in honor of Ernest J. Heppenheimer, chairman. Mr. Heppenheimer is the last surviving founder of the company and was president for 37 years until he became chairman in 1943. He has directed the company for the 54 years of its operation.

Mr. Heppenheimer and Eric Johnson, newly appointed vice-president of Colonial Life, spoke briefly at the reception and banquet. Robert L. Baer, assistant to the agency vice-president, described a 13-week experiment conducted in two of the company's branch offices, which were raised from a very low level of production to outstanding records. James E. Mitchell of the auditing firm of Peat, Marwick, Mitchell & Co., stressed the financial strength of Colonial Life. Mr. Bruce brought out the elements essential to life selling in the closing message.

There was a reception and luncheon for members of the President's Club and the Clic Club.

Harrington Heads Economics Society

TORONTO — Insurance Economics Society at its annual meeting here this week elected as president Frank L. Harrington, president of Massachusetts Protective and Paul Revere Life, and as vice-president Travis T. Wallace, president of Great American Reserve.

Mr. Harrington succeeds R. J. Welterlund, president of Washington National, who was elected to the executive committee.

Others elected to the executive committee are Frank Vanderbrouk, president Monarch Life; James E. Powell, vice-president Provident Life & Accident; and J. E. Hellgren, vice-president Lumbermen's Mutual Casualty.

E. H. O'Connor, managing director, gave his report on 1951 legislative results in the field of sickness compensation and discussed the problems that may arise in 1952.

Considerable time and discussion was given to the further development of a broader educational program and a stronger legislative front at both state and federal levels.

Prudential Loans on Coast

Prudential through its western home office approved \$1,506,475 Los Angeles real estate loans in August, bringing total commitments for the first eight months to \$12,993,700.

The California total for August was \$13,287,560, of which \$12,068,160 was residential, \$810,000 commercial and \$409,400 farm; for the 11 western states and Hawaii, \$16,458,178, with \$14,685,588 residential, \$974,540 commercial and \$789,050 farm.

Let's Talk

No words—no photographs—nothing less than holding it in your own hands can possibly give you an adequate appreciation for the new George Rhawn "My Personal History and Family Record" remembrance gift book. This is a gift your substantial client or center of influence will treasure all his life. He will show it with high pride and it will be cherished by his family for generations.

As a personal and family document, "My Personal History and Family Record" will grow in value with the years—for it helps establish pension, social security, birth, baptism, marriage, death, ancestry, passport and other data. That is why underwriters like Loren D. Stark, CLU, Houston, Texas, call special attention to this book in lectures at Advanced Underwriter Seminars and why they personally use it in quantity lots.

Heritage edition: bound in handsome, deluxe padded two-tone rawhide saddle finish cover, rounded corners, \$5. Heirloom edition: handsome, durable two-tone cordoba cover with blue and gold title, \$3.50. Quantity prices on either edition. A PRICELESS GIFT. WHEN YOU SEE IT YOU WILL AGREE.

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From the associate co and O. R. department

McConney Sees Salesmen Coming Into Their Own

The day of the sales type represented by Willy Loman, the main character in the play, "Death of a Salesman," who was described as "a man way out there in the blue, riding on a smile and a shoe shine," has passed. Today the field force is not a mere marketing body, it is the main medium of public relations, it is in the forefront in the battle for free enterprise. It is the visible evidence of competition. In place of the Willy Lomans there is arising a professional field force, men who apply to their calling the standards and ethics of the true professional in every vocation, men who set service above immediate reward and respect the honor of the profession.



E. M. McConney

So spoke E. M. McConney, president of Bankers Life of Iowa, at the A.L.C. general session in a speech heavy with beautifully appropriate literary allusions and the Scottish folk-stories for which he is celebrated.

Mr. McConney feels that the trained, intelligent field force must be led intelligently and so he feels that the usefulness of the top executives of today and tomorrow will depend much more upon knowledge and skill in the administration of human beings than upon technical ability. He commented, "It may well be that before long an executive who is not trained in man-management will not attain top management."

Challenge of the Field Force

The speaker said that one of the great challenges is to improve the field forces so that they will live lives rich in satisfaction, and a sense of accomplishment, in income and in happy integration into the whole social structure. He asked further, "Shall we not also lead them out of the mass of anonymity so that they may have a pride given to few people in our modern world, a pride in achievement as they look at their life work, homes kept together, children educated, old people enjoying their sunset days?"

Mr. McConney dwelt strongly on the theme that the responsibility of life company management goes beyond fidelity, economical and efficient management and payment of proceeds when due. He said it extends definitely to those who in the first place are responsible for creating and adding to the trust. He indicated that the sense of responsibility of the life companies for the accomplishments of the field force has varied widely over the years. In the past, the life insurance business as all other business was judged primarily by the value and integrity of its product. Little attention was paid to those who sold the product.

Mr. McConney outlined the characteristics of the new professional who is replacing the Willy Loman. There is

selection first of all, he said, on the part of the company as well as of the professional man. The company does not want in a field force people who do not have basic aptitude for selling or who are not intelligent enough to thoroughly analyze human needs for life insurance. "We have no moral right to use any portion of anyone's precious years of active life in an occupation into which he does not fit with profit and personal satisfaction. He said the professional salesman of today brings fidelity and integrity to his calling. He expects to

build for himself a reputation for honesty, fair-dealing, self-respect and courage.

The professional man expects to be trained even down to his diction. Only a trained man can approach his client as an equal offering full value of product and service. Otherwise he is but a suppliant seeking a bone.

Mr. McConney commented that selling in a professional manner is only a few years old and its course is not yet well charted. It is necessary that it be practiced as its older professions were

of old, by study and practice at the same time, the old apprentice system. This takes longer, of course, but the true professional is one who studies and practices eternally. Knowledge has to be yoked with good old-fashioned work, mental work, to be remunerative, and thinking and planning, therefore, are the sum total of training, he declared.

The speaker indicated that the professional man expects to be compensated for his ability, his training and his diligence rather than for a smile and a shoe shine.



"no more skating on thin ice for us"

says Mrs. C. J. Stofferan
Spokane, Washington

Carl Stofferan became associated with the Minnesota Mutual September 15, 1947. His first full year's Paid Business total, \$457,130, showed that he was on the road to success. Carl is a member of the Company's "M" Club for persistency. He has been on the App-A-Week Club for 189 consecutive weeks and is a "Millionaire" having more than a million personally written business in force. He was also named one of the Company's top 25 producers for 1950.

Carl attributes his spectacular selling success to the Company's Organized Sales Plan and especially recommends the new, revised Success-O-Graph* used exclusively by many Minnesota Mutualities.

*reg. U. S. trademark

Organized 1880

The Minnesota Mutual Life Insurance Company

SAINT PAUL 1, MINNESOTA



"Twenty-two years is a long time to work for somebody else when all the time you're yearning to be your own boss! That's how Carl's hobby, figure skating, influenced him to 'strike out on his own.' It was his chance of earning a livelihood and it would allow him greater personal independence. Since Carl had passed the proficiency tests the next step, naturally, was to turn professional. To complete the transition we decided to move from Chicago to Spokane as we'd always thought of the West as a desirable place to live.

"Carl's skating career was going 'full speed ahead' when we were fortunate enough to see the Success Bond Story demonstrated. Being in the entertainment field is exciting, but very often with advancing age there is a decline of achievement with correspondingly lowered income and the 'Story' held a lot of appeal for us. We knew, while Carl was considering changing careers, that this was probably the most important decision in our whole lives so we considered the matter very carefully.

"Insurance won out! We feel we have chosen wisely and our increased income happily proves that we are on the upgrade. The more we learn the business the more our appreciation grows and we are particularly glad that we were guided to The Minnesota Mutual. Carl realizes that his Company's Organized Sales Plan, its many wonderful sales tools and all the forethought given the agent takes the anxiety out of his work and I am especially grateful for the unity that exists between all the personnel of the organization.

"I always feel this very keenly after each convention trip. The good will that is always expressed in the agency adds up to fun and profit and it's a wonderful atmosphere in which to work.

"It's been real fun being a member of the Minnesota Mutual family! Never before in such a short time have we gone so many places, seen so many things nor met so many fine people. Words are inadequate to express the enjoyment and satisfaction that go with this experience. "Comparing notes with other Minnesota Mutual wives, I find that our experience is neither unusual nor extraordinary. Our only regret is 'why didn't somebody tell us these things' many years ago?"



From the John Hancock; G. D. Bleicken, associate counsel; R. E. Slater, controller; and O. R. Brown, manager of the tax department.

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul 1, Minnesota

I want to know how C. J. Stofferan does it. I may be interested. No obligation to me, of course.

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4. Personalized Home Office Service.
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Openings in Virginia, West Virginia, North Carolina, South Carolina, Tennessee and Alabama. For information write: E. DUDLEY COLHOUN, Director of Agencies.

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INSURANCE COMPANY, INC.

ROANOKE, VIRGINIA • PAUL C. BULFORD, PRESIDENT

Prudential Boosts 1st Year Ordinary Commission Scale

An increase of 10% in the first year commission scale on ordinary policies has been announced by Prudential. The increased commissions are applicable on ordinary policies of \$5,000 or more, and become effective Oct. 15.

The increases are applicable to all representatives of the company's 91 ordinary agencies, including brokers and surplus writers, throughout the United States, Canada and Hawaii.

Prudential has been paying commissions starting at 20% on 5-pay life graduated up to 50% on policies involving 28 or more annual payments.

From an industry viewpoint, the increase brings Prudential in line with other large companies, licensed in New York, most of whom have been paying 55% first year commissions on straight life. There are few companies, especially among those that take brokerage business, that haven't brought their first year straight life commissions up to 55% in recent years. The increase, it should be noted, is a percentage jump, not a flat boost of 10 points in the scale.

Look to L.O.M.A. Institute for Managerial Material

Life insurance management must look in large part to those taking the educational courses of L.O.M.A. Institute for trained supervisors and managerial material, Charles Mears, secretary of New York Life, told the Society of L.O.M.A. Graduates at its first fall meeting at New York.

Educational facilities in the life insurance business have increased materially in recent years through these courses, Mr. Mears said, and they have done much to give life insurance personnel a better insight and knowledge of life insurance. He said education should have a broader meaning than mere job training or education in one particular field and could profitably expand even to such fields as community affairs, public life and recreational activities.

John Jarman of Prudential, president of the society, announced four new courses which the organization is making available for members and, if there is room, for L.O.M.A. students as well. They are: Conference Leadership, under Donald Hyer, Mutual Life; Letter and Report Writing, under Mr. Jarman; Public Speaking, under Thomas Flaherty, New York Life; Office Management, in preparation for the L.O.M.A.I. examinations, under Norman Shutman, Mutual Life.

Taggart Again Millionaire

Grant Taggart, California-Western States, Cowley, Wyo., has passed the million dollar mark in paid business to insure himself membership in the Million Dollar Round Table, a feat he has accomplished every year since 1933. At the end of July, Mr. Taggart had paid for \$1,200,000 on 27 lives, despite a heavy speaking schedule. The former N.A.L.U. president and former M.D.R.T. chairman first qualified for M.D.R.T. in 1925 and attained life membership in 1933.

Many Wives in Attendance

An unusually high percentage of wives was on hand for the A.L.C. meeting at Toronto. While the total attendance was a little lower than the usual Chicago meeting figure, there were about 50 more wives present than last year's Chicago figure. There was not only the attraction of a trip outside the U. S. but also the chance to be on hand for the visit of Princess Elizabeth and her husband.

Conn. Mutual Coffin Month Sets Record

The largest volume of business in a month in Connecticut Mutual Life's history was written in September in an anniversary effort sponsored by the force to honor Vincent B. Coffin, snr vice-president, on his 20th anniversary with the company. The total for the month was \$39,104,652, which topped the September, 1950, volume by \$17,934,652.

Theme of the anniversary effort was "A Toast to Vincent Coffin." A testimonial dinner in honor of Mr. Coffin will be held at Hartford Oct. 31. The leading agents, general agents and supervisors will represent the field at that time.

A.M.A. President-Elect Tells His Platform

WASHINGTON—Dr. Louis H. Bauer, Boston, president-elect American Medical Assn., told District of Columbia Medical Society that physicians, in order to combat the "continuing threat of socialized medicine, should strongly support voluntary prepayment health and medical care plans, which are rapidly growing; extension of such plans to persons age over 65 and to individuals and groups, and protection against catastrophic illness.

Dr. Bauer warned that unless the medical profession moves fast "the solution will be taken out of our hands."

Dr. Michael M. Davis, chairman executive committee, Committee for the Nation's Health, says the provision in the revenue bill allowing deduction of medical expenses exceeding 5% of income to persons over 65 would benefit only one to 1½ million, compared to the total of 11 million persons that age. The other 9 to 10 million, Davis says, pay no income tax.

Asks Commission on Deal

ST. LOUIS — Edwin E. Stith, a broker, has filed a suit in St. Louis circuit court in an attempt to collect a commission of \$129,500 on the sale in June, 1950, of Commonwealth Life & Accident of St. Louis to American National of Galveston for \$3½ million.

Stith states in the suit that in July, 1949, Nathan S. Bender, then the principal stockholder of Commonwealth, promised him that he would be paid a reasonable commission if he helped to sell the company. Later, through various inquiries, Stith claimed he discovered that American National could be interested and he immediately relayed that information to Bender.

He seeks a payment of 3½% of the sale price.

Evans Cal. Group Supervisor

Great-West Life has appointed William M. Evans group supervisor for California, with headquarters at Los Angeles. He has had nine years experience in the group field.

John H. Greene has been named district agent for Northwestern Mutual at Little Rock.



E. H. Speckman, president of Kentucky Central; H. C. E. Johnson, president Interstate Life & Accident; and Peyton W. Jones, secretary of Bankers Health & Life of Macon. All three are past presidents of Life Insurers Conference.

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Coffin Northwestern Natl. cord Findings on Aged

Figures substantiating the mounting problem with respect to the aging population, released by the family economics bureau of Northwestern National Life indicate that today there are only five adult workers in the United States for every person 65 years old or over; in 1850 there were 11 workers 16 years old and over for every oldster. In 1900 the proportion was nine workers to one oldster; in 1920, it was eight to one; in 1930, seven to one; in 1940, six to one, and by 1950, five to one. The report indicates that in another 10 years, under current population trends, there will be approximately four people at work for every person 65 or over.

With medical science and improved conditions enabling more people to live past 65, at the same time more oldsters are retiring from useful work, says the report. Simply voting the old people more dollars is no solution, either for them or for the nation, the report observes, adding that old people do not consume dollars—they consume goods, like every one else. It is stated that somebody has to produce the extra food, clothing, shelter and other things needed for their comfort.

Therefore, any practical program of security for our aged must face two basic requirements, says the report: (1) Production of goods and services by our young and middle aged people must be expanded much further, through industrial progress, so there will be a greater margin left over from the worker's own needs, to take care of the older members of our population. (2) At the same time our increasing millions of older people must be permitted and aided in maintaining a productive rate as long after 65 as possible.

Unless these basic realities are kept in mind, the problem will grow worse instead of better, says the report, asserting that although passing out more and more government dollars looks like an easy solution, it only means that each dollar will buy less and less.

In referring to a recent survey of the retirement aims of 3,000 of the company's male policyholders, the report states that most Americans want to stay useful after age 65. Results show that of the 3,000 policyholders only 24% want complete leisure when they reach retirement age. The remaining 76% want either to keep on at their present jobs as long as they are physically and mentally capable, or else to be financially able to ease up a bit, with shorter hours or in some lighter occupation. The survey concludes that three out of four men want to keep right on doing something useful after age 65.

The report emphasizes finally that such responses further point out the need for all retirement programs, whether based on life insurance, industrial pensions or government payments, to be made highly flexible in their provision for actual retirement from work.

Ir B. Jackson, associate general agent at Massachusetts Mutual, Cincinnati, and Mrs. Virginia L. Preston were married there. Mrs. Jackson formerly represented Massachusetts Mutual when Mr. Jackson was general agent.



John Evans, president of Ohio National Life, and John Lloyd, vice-president of Union Central.

Further Study for Kilday Bill

To allow more time for life insurance interest to study and analyze the Kilday bill for benefits to survivors of armed forces members, the Kilday subcommittee decided to report to the full House armed service committee next January. Meanwhile Rep. Kilday introduced a rewritten bill approved by the subcommittee, based on testimony that

body took.

The committee received word from National Assn. of Life Underwriters that it would appreciate the opportunity to appear on the bill before the full committee. That will be afforded next year.

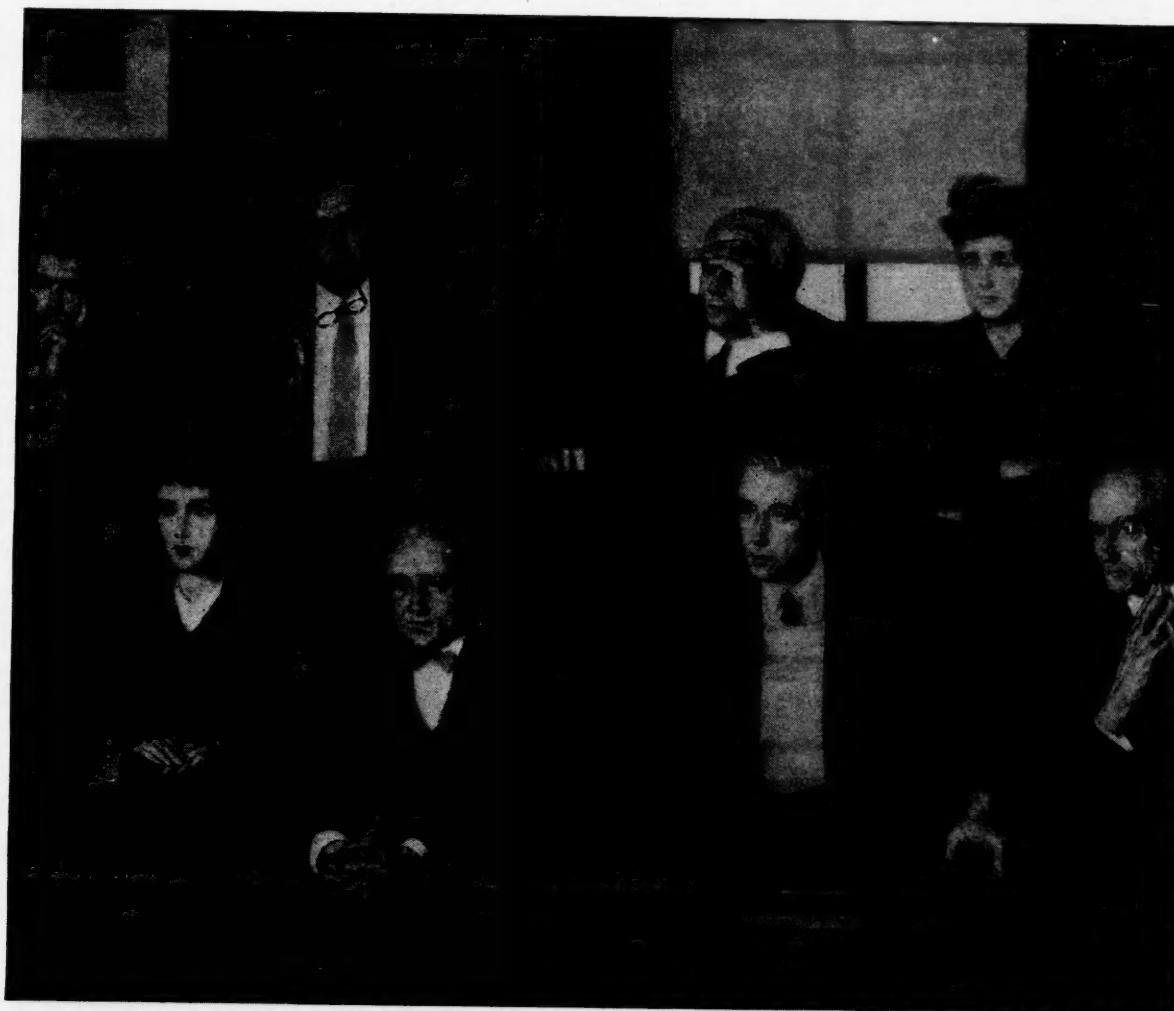
Life Insurance Assn. and American Life Convention have filed a preliminary statement with Kilday. Both groups reportedly plan a fuller presentation that will analyze the bill from an objective actuarial standpoint.

The new bill provides for deductions

ranging from 75 cents to \$3 per month from service personnel pay as contributions to the survivors benefit fund.

Honor Mrs. Shugart

Mrs. Lena Alexander Shugart, newly elected director of Woodmen Circle was honored by the district organization of the fraternal at Corsicana, Tex. The ceremony included a luncheon and initiation and both a morning and afternoon program. Mrs. Shugart is state supervisor of northeastern Texas.



He well and truly tries

THE SUMMONS comes in the mail, and the people go forth to answer.

The clerk leaves his counter, the executive his desk, the mechanic his factory, the housewife her kitchen. For a little while, and not without reluctance, each lays aside his work and his business, for a weightier business calls him.

Now he must decide a man's fate.

"Do you solemnly swear that you will well and truly try, and a true deliverance make, in the case of The People against John Doe, so help you God?"

"I do," says the clerk, the executive, the mechanic, the housewife. And they sit down in the jury box, awkward in their Sunday best, to hear the story of a stranger in trouble, who is no concern of theirs . . .

Or is he? Suddenly through the rattling of the hard words, through the clatter of questions, answers, motions, objections, there comes to each juror a small voice saying: *This is my concern.*

The future that hangs in the balance here is mine.

The accused man might be me. If he is innocent, I must save him, as I would want to be saved.

If he is guilty, I must save my children, my neighbors and myself from others like him.

I am here to see that no wrong is done, either by many men to one man, or by one to many. I must be careful and wise as never before, for the verdict I will vote on here is whether I the clerk, I the executive, I the mechanic, I the housewife, am good enough to make freedom work.

You can see a change come upon the face of a juror who has heard the voice. And when at last he goes with the others into that small, locked room to seek the truth, he takes with him one truth never to be forgotten. He has learned that the ways of freedom are strenuous ways, to be enjoyed only as long as all men well and truly try.

John Hancock

MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS

ENGINEERING THE SALE

Outlines Group Approach to Salary Allotments

An indirect approach that will help agents get their share of salary allotment business was outlined by A. J. Keating, group consultant at Chicago, at a meeting of the Pyramid Club of Continental Assurance at Chicago.

According to Mr. Keating, to gain their share of salary allotment agents must not necessarily be located in a metropolitan area with attendant large corporations. "They need only to have access to small firms with too few employees to qualify for group insurance." Agents were advised to approach owners of small firms and ask them

first if they would like to add group insurance. Mr. Keating said the natural reply would probably be, "We would like to have it, but we don't have enough employees to buy it."

He would then offer to the employer a formula applicable on the theory that the employer could qualify for group insurance for 15 employees. In the conditional formula, the 15 employees are divided into groups A, B, and C. Say that 10, with \$2,000 group life are placed in factory group A, three, with \$3,500 group life, would be placed in supervisory group B, and two employees,

with \$5,000 group coverage would be placed in office group C.

For the three groups, the average premium would run about \$1.50 per month, per \$1,000. The agent could then point out to the employer that he would pay \$3 per month, per employee, or \$30 per month for factory group A. Payment would average about 2 cents per working hour. In supervisory group B, the employer would pay \$5.25 per employee, or a \$15.75 monthly total, averaging about 3 cents per working hour. Office group C would cost \$7.50 per employee, or \$15 per month, with an average of about 4½ cents per hour.

The total cost for Mr. Keating's formula would be: \$30 for group A, \$15.75 for group B, and \$15 for Group C. Total cost for the three groups would be \$60.75 per month. The employer should then be asked whether or not he would agree that these figures "reasonably reflect the amount you would be happy to pay for group insurance if you could get it."

Insurance Raise Impressive

At this point, Mr. Keating would tell the employer that if raises of 2 cents, 3 cents, and 4½ cents were granted to the three groups, they probably would not create the desired effect because of their insignificance, whereas, the same amount, granted in insurance, would. He then said that although the employer is agreeable to spending \$3 per month for group A, \$5.25 per month for group B, and \$7.50 per month for group C, the employer would naturally not want to furnish protection without some contribution from the employees themselves. Then, "If the employer agrees, you have the perfect sales talk to give the employee."

The agent should ask the employee if he would buy \$2 worth of insurance "for a buck." At this rate, factory employees in group A would receive \$6 worth of insurance for \$3, for \$10.50 in coverage group C would pay \$5.25, and group B would receive \$15 worth of insurance for \$7.50.

It should then be pointed out to the employee that he would have full ownership of his own permanent policy with all benefits of cash, paid-up, and extended coverage. It should be made clear, Mr. Keating said, that if the employee leaves his present place of employment, he can assume the employer's share of the premium, or pay the same premium he has been paying. As long as he remains, however, his employer is paying half of the premium.

Advantages of Formula

"Thus," Mr. Keating stated, "I am merely supplying life insurance at 1/12 of annual rates if taken from the payroll, and a further reduction of 50% of the cost to the employee by using the amount of money the boss would have spent for group term if it was available to his firm."

He added, "The agent now has 15 new customers, and if he writes general lines, he can avoid writing additional coverage only if he hides." The by-products, Mr. Keating concluded, usually equal in commissions the amount derived from the salary savings plan.

At the same meeting, Beecher C. Swain, general agent at Hartford, demonstrated the importance of a retirement income by referring to a survey that showed that out of an average group of 100 men at age 25, only 5% can retire. Sixty-four of the 100 men are living at age 65. Of the 64, only one is wealthy, four are well-to-do, five live on their earnings, and 54 are not self-supporting. "This means," Mr. Swain said, "that while 36 have died physically, 54 have died financially."

Elected by Safety Council

The more than 12,000 persons who attended the National Safety Congress at Chicago this week heard a number of insurance men explain what the business is doing to further safety and accident prevention in industry.

Elected as directors of National

Safety Council were Henry E. Nor, vice-president, and Dr. George Wheatley, 3rd vice-president, Metropolitan Life, and Thomas I. Parkinson, president of Equitable Society.

Metropolitan Life was among the organizations which sponsored exhibition booths. The company explained what it has been doing to further industrial safety and made many valuable brochures available.

Selection Interview Blueprint, published by the L.I.A.M.A., will be published in French by Montreal Life.

FREE BOOKLET "Courtesy Pays Off."

Write today — use business letterhead, please.



They Give Your Letter a
Second Look when it's on

*Cotton-fiber
Paper*

WATERMARKED

by

Fox River

*Cotton-fiber makes the finest

BUSINESS, SOCIAL, AND ADVERTISING PAPERS

He's giving your letter a second look... and that's worth money to you. For that one letter, if average, cost you more than 75¢!

Letters don't work in waste baskets. Do everything to keep them in view. Make them meet the four tests of *Money-Making Mail*, described in free booklet by Dr. Robert R. Aurner, eminent letter authority and director of our Better Letters Division.

Cotton-fiber paper "by Fox River" helps win that valuable second look—and compared to total letter outlay, the cost of this finest paper is trifling. Four grades—100%, 75%, 50%, and 25% cotton-fiber content. The more cotton-fiber, the finer the paper. Ask your printer.

FOX RIVER PAPER CORPORATION
3029 S. Appleton St., Appleton, Wis.



YOU BET I'M HAPPY!

Dad just had a talk with our Beneficial Life Agent and started a plan which will provide the money I'll need when I'm ready for college. Dad says it is the only sure way to guarantee my future education.



BENEFICIAL LIFE
INSURANCE COMPANY

David B. McKay, Pres.

Salt Lake City, Utah

GRIFFENHAGEN & ASSOCIATES

Established in 1911

CONSULTANTS IN MANAGEMENT

Take pleasure in announcing the admission,
as a member of their organization, of

DR. J. OWEN STALSON

Dr. Stalson will participate in the firm's professional practice in the insurance field. He will continue in his posts at Columbia University, where he is Director of the Life Insurance Management Research Center and Associate in Insurance at the Graduate School of Business.

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50 Attend Convention of Colonial Life in W. Va.

Colonial Life held its annual convention at White Sulphur Springs, W. Va., this week. A one-day seminar for the company's managers and home office personnel who are alumni of the school of agency management followed.

Attendance by the field force was on production basis. More than 150 managers, field managers, and agents qualified.

James G. Bruce, vice-president and secretary, opened the sessions with greetings. Richard B. Evans, president, spoke on "The Current Situation," and outlined the progress of the company. This year promises to be the biggest in history," he stated.

Modification in the plan of compensation on weekly premium business was announced by Mr. Bruce. Collection commissions will be increased to 14% of the premiums collected on weekly premium debits. He also stated that more liberal hospitalization and surgical benefits would be available under the company's group coverage on employees and dependents.

"Prospecting for the House of Security Calculator" featured a panel of three of field men, with Mr. Bruce as moderator. Each man related his successful method of securing prospects.

President Evans announced a special production effort, sponsored by the directors in honor of Judge Ernest J. Heppenheimer, chairman. Judge Heppenheimer is the last surviving member of the original founders of the company. At a reception and banquet, Judge Heppenheimer and Eric Johnson, newly appointed vice-president of Colonial Life, spoke briefly.

Strong Publicity Staff

Besides W. H. Faltysek, A.L.C. publicity director, the daily and trade paper publicity is handled by Ross Cameron, Toronto advertising man who takes care of Canadian Life Officers Assn. Publicity; Dudley Martin, director of press relations of Institute of Life Insurance, and Chester C. Nash of the J. Walter Thompson advertising agency, which handles the institute advertising account. Robert Hutchings of the Thompson agency helped out with the advance releases at the Chicago headquarters.

No. Am. Re. to Move

North American Reinsurance will move to the Chrysler Building East from its present offices at 110 East 42nd street. The Swiss Reinsurance group companies of which North American is a unit, have taken a lease on the 29th, 30th, 31st and 32nd floors of this building, which is a companion structure to the Chrysler building. The building is scheduled for completion in November and the Swiss Re companies will move in shortly thereafter.

Todd to Speak

John Todd, Northwestern Mutual, Chicago, will lead the Pittsburgh C.L.U. in a forum on excessive taxation, business insurance, inflation and life insurance in another leg of his tour around the country.



Julian Anthony, president of Columbian National Life and vice-chairman of the A.L.C. financial section; Mrs. Anthony; and V. B. Gerard, treasurer of Commonwealth Life and secretary of the financial section.

Peter Joins Commonwealth

Cary Peter has joined the home office of Commonwealth Life as supervisor of agencies in the ordinary agency department. He entered life insurance in 1946 as a personal producer. He joined Reliance Life later that year as agency supervisor and moved to its home office in 1948 as assistant director of training. In 1950 he was promoted to agency assistant and lately has been manager of its Philadelphia agency.

A.L.C. Staff Roster

American Life Convention staff was represented at Toronto by R. L. Hogg, executive vice-president and general counsel; Ralph H. Kastner, associate general counsel; Alfred N. Guertin, actuary; W. Lee Shield, counsel; Irving V. Brunstrom, attorney; Ida Weber, secretary; Lillian Wille, assistant treasurer; William Faltysek, publicity director; Lyle Workman, administrative assistant, and Betty Bed, secretary to Mr. Hogg.

Barkann Shows Technique

Roger Barkann of Penn Mutual demonstrated his selling technique with Prof. William J. Shultz, sales instructor, in the role of prospect, before a class in business and civic administration, City College of New York.

Mrs. Eberly at St. Paul

Mrs. Marion Stevens Eberly, director of the women's division of Institute of Life Insurance, will talk on "Life Insurance, Annuities and Social Security" Oct. 15 at a finance forum for women sponsored by American National Bank of St. Paul.

Robert M. Green welcomed many of life insurance friends to Toronto. He has been Toronto a little more than a year as vice-president in charge of Prudential's Canadian head office.

Occidental of California held an agency meeting at Toronto during the A.L.C. Convention. President Horace Bower and William Stannard, vice-president, were on hand from the home office, as was J. Lockwood Miller, Ottawa, Occidental's general agent for Canada.

The Toronto convention of A.L.C. was the first for William H. Faltysek, who joined the organization as publicity director six months ago. However, he is not that new to the life insurance business, as he was an agent at Chicago for Equitable of Iowa for two years in the agency headed for many years by his father, E. J. Faltysek.

William M. Anderson, vice-president of North American of Toronto, and Mrs. Anderson received numerous congratulations at the A.L.C. meeting on having just won, with another Toronto couple, the team-of-four bridge championship in the Lake Erie tournament at Buffalo. Mrs. Anderson, who is Canada's ranking woman bridge player, also won the women's pairs event.

Jefferson National in "Light a Candle" Campaign

Jefferson National Life is in the middle of its annual president's month campaign in honor of President E. Kirk McKinney's birthday. The celebration is based on a birthday party theme this year and is known as the "Light a Candle" campaign. There will be prizes and a special party for the top 10 producers and their wives.

Colson Honored

P. O. Colson, retiring Reliance Life manager at Jacksonville, Fla., was feted

at a cocktail party in his honor upon his retirement. He was presented a scroll for his contribution to insurance on behalf of the Jacksonville managers.

U. S. Commissioner on Hand

Besides Superintendent Whitehead of the Ontario department, quite a few U. S. commissioners were on hand for the A.L.C. meeting. Frank Sullivan of Kansas, president of N.A.I.C., was present as a speaker at the general session Wednesday. Others were Allyn of Connecticut, Day of Illinois, Fischer of Iowa, Leggett of Missouri, and Deputies Pfister of Indiana and Cogswell of Massachusetts.

A salesman's life
was a hard one then!



THEY called them "drummers," because they attracted trade by beating the drum on street corners. Those were tough days for "salesmen," because "Salesmanship" consisted of persuading people to buy things they didn't want or need. Resistance to "drummers" was high everywhere.

But when salesmen became business men, and started helping folks to plan their purchases intelligently...then America's standard of living soared, and selling became a respected and profitable calling. No vocation has contributed more to America's prosperity and growth!

SELLS SUCCESS

The Mutual Benefit Life man's a salesman, too, and proud of it. He sells the best products in the world: financial success and freedom from financial worry...on the installment plan. Armed with his ANALAGRAPH, he offers a thorough-going, tailor-made plan to fit the special needs of any individual in any business or profession.

To salesmen of other lines, the Mutual Benefit Life man offers sound financial advice to make the future secure. In addition, he can show intelligent, alert salesmen how it is possible, with the ANALAGRAPH, to actually achieve financial success overnight!

BRINGS SUCCESS

Because his counsel brings contentment and happiness to many, the work of the Mutual Benefit Life man is deeply satisfying. His products are the envy of all other salesmen, and the easiest in the world to sell: security and success!

THE
MUTUAL BENEFIT LIFE
INSURANCE COMPANY

ORGANIZED IN 1843 • 300 BROADWAY, NEW YORK • NEW YORK 10001

October 12, 1951
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E. C. McDonald, 2nd vice-president group administration; and Charles G. Dougherty, 2nd vice-president, both of Metropolitan; and R. Leighton Foster, general counsel Canadian Life Officers Assn.

NEWS OF LIFE ASSOCIATIONS

Divide Kan. Supervision

The three vice-presidents of Kansas Assn. of Life Underwriters have been assigned to assist local associations with their problems and programs. Vaughn Kimball, Dodge City, 1st vice-president, has been assigned to the Central Kansas, Hutchinson, Northwest Kansas, Plainsman, Salina and Southwest Kansas associations; Ralph Willcott, Chanute, 2nd vice-president, to Allen-Nesho, Coffeyville, Emporia, Fort Scott, Independence, Parsons and Pittsburg, and John Coe, Wichita, 3rd vice-president, takes the responsibility for Lawrence, Leavenworth, Manhattan, Topeka and Wichita.

L.U.T.C. classes have been organized at Topeka, Wichita, Hutchinson and Salina.

Ind. Mid-Year Meeting Set

The mid-year meeting of Indiana Assn. of Life Underwriters will be held at Indianapolis Nov. 16. Harold P. Means, manager of Lafayette Life at South Bend is president.

Hedges Has Heavy Schedule

Bert A. Hedges, Business Men's Assurance manager at Wichita, has recovered completely from injuries sustained in an automobile accident near Joplin a year ago and a minor operation in August and offers his October

schedule as evidence that he has regained his normal health.

He spoke Oct. 5 at the West Texas Life Underwriters Assn. sales congress at Abilene. He is attending a conference Oct. 12 at Urbana, Ill., to arrange details of the pilot class of the disability insurance sales course to be conducted at University of Illinois. He is general chairman for that project of International Assn. of A. & H. Underwriters. He will speak Oct. 15 at a joint meeting of Tulsa Assn. of A. & H. Underwriters and Tulsa Hospital Council and Oct. 17 before Kansas City Life Underwriters Assn.

Tennessee Institute Set

A study institute, sponsored by Tennessee Assn. of Life Underwriters, will be held Nov. 9-10 on the University of Tennessee campus, according to Laurie F. Pratt, president of the state association. At least 75 are expected to attend. Speakers will be announced later.

Indiana Club Plans Meet

The annual meeting of the Life Insurance Leaders Club of Indiana will be held at Turkey Run, April 25-26. Carl McCann, president, Northwestern Mutual, Indianapolis, will preside. To qualify an agent must produce \$250,000 volume for the club year. General agents and managers are eligible for member-

ship by having three of their agents qualify.

Tampa—Edmund L. G. Zalinski, assistant vice-president of New York Life, addressed a joint meeting with the managers and cashiers.

Chicago—Laura Githens Smith of the Zern agency of Northwestern National will speak on "Vision" at a meeting of the women's division Oct. 30. Highlights of the recent convention of N.A.L.U. at Los Angeles will be given by Lesla M. Sabin, association president, and Joy M. Luidens, secretary.

Louisville—H. C. Graebner, dean of the college of business administration at Butler University, is speaking on Oct. 12 at a luncheon.

St. Joseph, Mo.—A. M. Anderson outlined his family programming system during a three-hour seminar. Partly as a result of this feature, the association picked up 10 new members.

Hempstead, N. Y.—Harold Humphries, VA counselor for New York state, spoke on the servicemen's gratuitous indemnity act. Ivan Vrbancich, president of the Long Island branch, was presented a certificate of appreciation for service to the branch by John H. Evans, president of the New York City association.

Anderson, Ind.—H. P. Means, state association president and manager for Lafayette Life at South Bend, predicted that the time is coming when the public will regard an agent's membership in the National association the same way it looks on the physician's membership in the medical association: "Not as a legal requirement, but a clear indication of professional standing and prestige."

Glasgow, Ky.—Lacy Frantz of Louisville, president Kentucky association, will speak at the meeting here Oct. 19 of the Mammoth Cave association. Judge Carroll M. Redford spoke at the last meeting.

Wichita—Bert G. Ripley, Southwest Life, Wichita Falls, Tex., a past president of the association, spoke on "The Gimmick That Doubles and Trebles Your Production." Last year he qualified for the Million Dollar Round Table with production of \$1,750,000, and received the C.L.U. designation.

La Crosse, Wis.—L. J. Larson, Madison, Wis., executive vice-president of National Guardian Life, spoke on "The Open Door" at the October luncheon meeting of the Western Wisconsin association.

St. Paul—Diplomas have been presented 14 members who have completed the two-year L.U.T.C. course.

AGENCY NEWS

Klein Agency Reports Gain

The A. R. Klein agency of Home Life at Chicago has a paid production for the first nine months of 1951 that is 14% above 1950. For the second time in three months, Charles J. Malin, assistant manager, led in company production for September.

Persons Agency Meets

The Persons agency of Mutual Life at Chicago held its annual sales meeting at the Edgewater Beach hotel recently. Stanton G. Hale, vice-president and manager of agencies, spoke.

Buffalo Agency in Big Gain

Life insurance sales by the Buffalo Agency of Massachusetts Mutual in the first eight months of this year exceeded those for the entire year of 1950. Fred H. White was appointed manager May 1, 1950, and since that time the agency has risen from 41st to 19th place among Massachusetts Mutual agencies.

Exclusive of group insurance, sales the first eight months totaled \$3,181,548, an increase of 61½% over the same period last year.

Persons Heads in Volume

The Persons agency of Mutual Life at Chicago led the company in volume during the first nine months. The

Brown agency at Grand Rapids, Mich. was first in number of policies sold. The Knutsen agency at Milwaukee was second in both volume and number, and the Myer agency at New York City was third in each category.

The Cobb agency of Connecticut Mutual at Boston will move Oct. 15 to enlarged offices at 50 Congress street.

Bankers L. & C. Loses Round in Georgia

ATLANTA — The mandamus brought by Bankers Life & Casualty Chicago to force commissioner Cravey to renew its license in Georgia was dismissed by Fulton Superior Judge Whitman here.

Judge Whitman ruled that the petition, filed July 20 shortly after the license expired, set forth no cause of action against Mr. Cravey.

Two officers of Bankers—C. F. Brannan, vice-president who lives at Chicago, and James A. Ross, Atlanta agent, have been indicted on bribery charges by the Fulton county grand jury.

Alex McLennan, attorney for Bankers L. & C. said the case will be appealed to the supreme court. Legal observers said that judge Whitman's ruling, in effect, gives commissioner Cravey discretionary power to revoke or fail to renew licenses of insurance companies.

Company attorneys also contended that a 1951 statute giving Mr. Cravey power to refuse renewal of license other than on proof of financial instability is unconstitutional.

H. McClain, who has operated a general insurance agency at Stockton, Kan., has been appointed general agent at Pratt, Kan., for Farmers & Bankers Life.

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All-American
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A GENERAL AGENCY
COMPANY

HARRY S. McCONACHIE
Vice President

American
Mutual Life
INSURANCE COMPANY
DES MOINES, IOWA

17 Apps in 17 Calls
the latest "Philadelphia Story"



An Old Line Company with an outstanding Record
of the Low Net Cost.

Ins. in Force December 31, 1950—\$223,276,545.

Agency Openings for Lutherans in 21 states.

LUTHERAN MUTUAL LIFE INSURANCE COMPANY

Waverly, Iowa

LIFE AGENCY CHANGES

Newfield Resigns Lincoln National Oakland Post

Lou K. Newfield has resigned as Lincoln National general agent at Oakland and the agency is being taken over by his co-general agent, W. C. Ulrich. Mr. Ulrich went to Oakland in 1949 from Madison, Wis., where he was general agent for the company. Mr. Ulrich started with the company at Madison in 1943 as general agent after 14 years in the business.

Mr. Newfield had held the post since 1937 and the agency had \$12 million in insurance in force, nearly \$2 million of which was personally produced by Mr. Newfield. He will continue as a member of the Oakland agency. Mr. Newfield is past president of the Oakland-East Bay Life Underwriters Assn. He is a veteran of the first world war.

Penn Mutual Names Clover

Wayne Clover, Jr., has been appointed general agent, and C. Dan Curtiss has been named associate general agent for Penn Mutual at Columbia, Mo. A graduate of the University of Kansas, Mr. Clover entered the business in his father's general agency at Kansas City.

Prudential Names Minner

Ray Minner has been appointed assistant manager of the Walter S. Payne agency of Prudential at Los Angeles. Mr. Minner joined the company in 1934. In 1947 he transferred to the Southern California office of the mortgage loan department at Los Angeles.

In 1950 he became administrative assistant in the western home office and in February of this year he became a training specialist in insured home ownership plans.

Coyle Joins Bookstaver

William E. Coyle has been appointed manager of the new A. & H. and group department of the Burton J. Bookstaver agency of Security Mutual Life of New York in New York City.

In his 21 years in the business Mr. Coyle has been with Royal Indemnity, Standard Accident and Eagle Indemnity. He joined Union Casualty as an underwriting manager and agency director six years ago. There he managed the commercial, franchise and disability group underwriting departments and also developed and supervised the company's agency force. Security Mutual recently has broadened its line of A. & H. contracts. The Bookstaver agency is expanding its operations and taking over enlarged quarters.



W. E. Coyle

Owens to Dallas Post

Great-West Life has appointed Harry Owens group supervisor for north Texas, with headquarters at Dallas. From 1943 to 1949 he was state director in Texas for the sale of war savings bonds. Since 1949 he has been a partner in a Dallas advertising agency.

Robert M. Gabby, who has been temporary group supervisor since June, will return to Great-West's eastern Canadian group organization at Toronto.

Stall L. A. Group Manager

Joseph J. Stall, acting manager since Aug. 1, has been promoted to manager of Pacific Mutual's Los Angeles group office. The Phoenix and San Diego offices, as well as Los Angeles, will come under his direction. The Los Angeles office is the largest in Pacific Mutual's group network.

Mr. Stall has been with Pacific Mutual since 1947, starting in the agency department. He entered the group field in 1948, went to Seattle in 1949 and last June was named assistant manager at Los Angeles.

He attended University of Southern California and served in the navy.

Two New Field Supervisors

Northwestern National has appointed two new field supervisors in its regional field service offices. C. Roger Hodney has become associated with the Chicago service office but will work out of Grand Rapids, Mich., and John L. McCullough, Jr., is joining the office at Columbus, O.

Mr. Hodney has been with the C. M. Hodney agency at Morris, Ill., since 1946 and Mr. McCullough with the J. W. Bishop agency at Chattanooga since 1949.

Boklan Appointed

Security Mutual Life of Binghamton, has appointed Albert A. Boklan assistant general agent in the Levine agency at New York City. Mr. Boklan, a graduate of Cornell University, joined the company in 1944.

Shepard to Swett & Crawford

Cyrus C. Shepard has been named manager of the life insurance department of Swett & Crawford at Los Angeles. He succeeds Waldo T. Worcester, on loan from the home office of Union Mutual Life. A son of Walter T. Shepard, former vice-president of Lincoln National

and later its general agent at Los Angeles, he has been in life insurance work there since his return from service, his latest affiliation being with Occidental Life of California.

Enlarge Postal Agency

Daniel Lifton and Harold DeMian have formed a new tri-borough agency of Postal Life to serve Brooklyn and Long Island. The agency's main office will remain at Forest Hills, but a branch will be opened in Brooklyn. Mr. Lifton has been general agent for Postal since last June, when he left Manhattan Life as associate general agent. Mr. DeMian joined Postal Life a year ago as an associate general agent in the midtown agency after 20 years in the life insurance business.

Prudential Names Hetler

Prudential has appointed Marion E. Hetler, former manager at Bucyrus, O., manager at Lorain. Mr. Hetler joined the company in 1939. In 1947 he was named staff manager at Bucyrus.

Moorcroft Named at Detroit

James H. Moorcroft has been appointed general agent of Midland Mutual at Detroit to succeed R. H. Mac-

Kinnon, who has resigned. Mr. Moorcroft has been with the company since 1930. Lou Guenther will be agency supervisor at Detroit.

Nolan B. Jones has been appointed general agent at Rockford, Ill.

Maher to Altschul Agency

Edward G. Maher has joined the Altschul agency of Postal Life at New York City as assistant general agent. A graduate of Fordham University, Mr. Maher was formerly a special agent for Prudential.

Smith Joins Kelley-Baum

Robert E. Smith has been appointed sales supervisor of the Kelley-Baum agency of Manhattan Life at Detroit.

He entered life insurance in 1949 with Home Life at New York. Seven years later he went with Union Central as an agent there, and in 1954 became supervisor for Metropolitan Life.

State Mutual Names Watling

State Mutual has named Wesley A. Watling group representative at Cincinnati. Mr. Watling joined the company after graduating from DePauw University in 1947. He was formerly with the Boston group office.

WANT ADS

Wants \$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday morning in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER
Life Insurance Edition

OPPORTUNITY

An Old Line, Legal Reserve Life Insurance Company, located in the Southeast, which is now in its 44th year of successful operation is seeking the services of a qualified person to become Supervisor of Agencies for territory consisting of: North Carolina, Virginia and the District of Columbia. The person must have a successful sales record and preferably some experience in Agency Management or General Agency work.

An unusually attractive arrangement will be made with the person selected. Reply in strict confidence to Box H-51, THE NATIONAL UNDERWRITER, 175 West Jackson Blvd., Chicago 4, Ill.

WANTED

A fast growing Catholic Legal Reserve Fraternal Society can use two General Agents—Milwaukee and Madison, Wisconsin. A great opportunity for men with ability and vision.

CATHOLIC KNIGHTS OF WISCONSIN
812 E. State St.
Milwaukee 2, Wis.

ASSOCIATE TEXAS STATE MANAGER

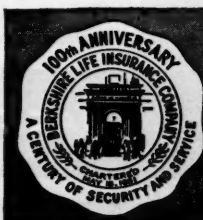
Multiple Old Line Legal Reserve Life Insurance Company. Must have adequate background in recruiting and training men. Address: 1149, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

One look at the new Berkshire Life "Portfolio of Coverages" and you'll agree that our broad diversity of policy contracts, at attractive premium rates, immensely widens any life underwriter's range of prospects.

Highlighted here are interesting and important facts leading to the sale of our life contracts—Adult and Juvenile—Accident & Health and Hospitalization coverages.

Berkshire Life begins its second century of service and security with an extensive range of modern, 'sales-producing' policies and coverages.

BROKERS AND SURPLUS WRITERS are invited to write to the nearest Berkshire General Agent for FREE copies of both the handy pocket-size Merchandise Chart and Portfolio which outline the many unusual sales opportunities. ★ ★ ★



BERKSHIRE

INSURANCE COMPANY

ACCIDENT AND HEALTH

Des Moines H. & A. Regional to Feature Timely Topics

Round table discussions of the new uniform standard provisions law, hospital insurance and catastrophic medical insurance will highlight the regional meeting of H. & A. Underwriters Conference at Des Moines, Oct. 15, first of the five meetings scheduled for this year.

C. O. Pauley, conference managing

director, will lead a discussion of the standard provisions law. Hospital insurance will be discussed by Don Hodder, Woodman Accident; medical insurance, including catastrophic coverage, by Howard LeClair, Mutual Benefit H. & A., and insurance for over-age risks by F. T. Rahn, World.

In an open forum session, Health Insurance Council activities, status of agents under social security, employee education, state disability plans and premium receipts for A. & H. insurance will be discussed. Special policies, including sports coverage, polo, hunters' and fishermen's, will be reviewed by Virgil Nutt, Jr., National Travelers.

Robert R. Neal, North American Accident, chairman of the executive committee, will present a review of conference activities. Robert A. Brown, Interstate Assurance, and Louis J. Adelman, National Travelers, will preside. About 70 executives of companies in Iowa, Nebraska, Minnesota, Missouri and North Dakota are expected to attend.

Cornett Stresses Need for Expanding Voluntary Cover

Insurance must expand its present voluntary plans to protect the American public adequately against an annual \$12½ billion loss of income through illness and accidents, or face more compulsory health schemes, William B. Cornett, director of sales and service of Prudential's sickness and accident department, told New York A. & H. Club. He said every discussion of the matter tends "to leave our legislators with a greater realization that the public does need adequate protection" in this field. However, if private industry voluntarily fills the gap through expanding existing coverages, both in group and individual protection, support for a compulsory health law will wane. "There are apparently millions of people who don't want to see the government get any deeper into the insurance business, yet new proposals are constantly advanced.

"With individual sickness and accident policies available at reasonable rates from private insurance companies, with all the advantages of individual service on the part of well-trained agents, I'm sure the security conscious population is enterprising enough to want to get hold of them," Mr. Cornett said. "We, in turn, must make sure that our service is good; that our agents analyze the individual prospect's needs and write the insurance to fit those

needs; that we pay all fair claims promptly and willingly; and that we keep our expense ratio down far enough to give our policyholders a very substantial part of their premiums back as claim payments. This ratio of claims to total premiums has been improving considerably, and I hope it can continue to improve."

He emphasized the aid which the large companies that are now entering the A. & H. field can give in realizing these objectives.

Notices on Gordon Award Competition Sent Out

Announcement of the Harold R. Gordon Memorial Award competition for educational research in A. & H. insurance has been sent to companies writing that line and colleges and universities offering insurance courses.

The winner will receive a cash prize of \$500 for the best written study on some important phase of accident and health insurance. The award will be presented at the 1955 annual meeting of H. & A. Conference at Denver.

All students in colleges or universities and staff employees of A. & H. departments of insurers are eligible to compete. Entries may be essays of an historical, statistical or critical-analytical nature and may include any area of research in A. & H. insurance.

Harold R. Gordon, who died in 1948, was the first executive secretary and later managing director of the conference. A memorial trust fund was established in 1949 with the income to be used for suitable recognition of outstanding contributions to the A. & H. business. The trustees of the fund voted to establish the present award to encourage interest in educational research.

The committee directing the competition includes J. W. Scherr, Jr., Inter-Ocean, chairman; C. O. Pauley, managing director of the conference, and E. J. Faulkner, Woodmen Accident.

Amend N. J. TDB Law

Five changes in the New Jersey disability insurance law were made by the 1951 legislature. They provide that the maximum total amount of benefits be computed to the next highest multiple of \$1 instead of to the actual dollar and cents amount; eliminate 10-day notice of disability and provide for notice of proof and claim within 30 days after commencement of disability with permission for examination by a chiropractor; remove contributions of union locals for remuneration for part-time union officers where the sum is less

than \$250 a calendar year, and enable an employee who has contributed to the TDB fund and also to two or more private plans during a calendar year to obtain a refund of any excess total contributions over \$22.50.

Extend Wisconsin Plan to Cover Higher Income Groups

MILWAUKEE — Wisconsin Plan, low cost prepaid medical and surgical plan sold through private insurers, endorsement of Wisconsin State Medical Society, and Wisconsin Physicians Service, the society's own plan operated on side of Milwaukee, were changed at the annual meeting of the society here to extend full payment of benefits to subscribers with an income of not more than \$4,800, instead of the present \$3,600 level. The monthly family premium of \$2.50 will be raised to \$2.83 for families within the \$3,600 income level, and to \$3.80 in the next bracket. Benefits in medical care in hospitals was extended from 10 days to 30 days, and additional surgical and medical services also are offered. Each of the two plans has about 250,000 subscribers. The change will not affect residents of Milwaukee county, where the prepaid surgical plan of Milwaukee County Medical Society is sold.

Voluntary Medical Care

Prepaid medical care is here to stay and the medical profession has already demonstrated that this care can be given more efficiently by voluntary methods than by government, Dr. A. H. Heidner, West Bend, president-elect of the Wisconsin Medical Society said. The growing success of such voluntary plans is one way to meet the challenge of socialized medicine, he added. If prepaid medical care is left to the government, Dr. Heidner said, "we will pay not only for the benefits the government bestows, but for the colossal waste of government mechanism that distributes the benefits."

Set Ohio Meet April 25

Ohio Assn. of A. & H. Underwriters will hold its annual convention at Cincinnati April 25. William A. Case, Inter-Ocean, is convention committee chairman.

Chicago Women See Movies

The women's division of Chicago A. & H. Assn. saw movies of China and Japan recently. Miss Helen Boltz, Washington National, is president, and Miss Catherine Meade, Loyalty group, was program chairman. Guests included R. J. Wetterlund, president of Washington National and I. G. Wessman, secretary of Loyalty group.

To Install Brooklyn Officers

Brooklyn Assn. of A. & H. Underwriters will install officers at a luncheon meeting Oct. 25.

Licensing Plan in Pa.

Commissioner Leslie of Pennsylvania in a talk before Pennsylvania Assn. of Insurance Agents at Wernersville said that beginning in October the faculty of Pennsylvania State College will prepare the questions and grade the answers in the departmental examinations for licenses of life and A. & H. agents. Also in October the time schedule for such exams will be changed from the original monthly schedule to bi-monthly. Previously the department has been preparing questions and grading answers.

In May, this year, there were 145,490 agents' licenses for all lines, 35,434 for life and A. & H., and 13,323 brokers' licenses. In 1940 the total was 144,881, he said. In 11 years, life and A. & H. licenses have increased by about 5,000 and casualty by 1,659, fire has decreased by 6,073 and licenses have increased 5,327.

INSURANCE COMPANIES

Bought and Sold

We have CASH buyers for:

A life company, located in the West or Middle West, having from \$50,000,000 to \$250,000,000 of life insurance in force.

Participating stock casualty company writing all automobile lines, workmen's compensation and general liability. Domicile state unimportant but company must be licensed in New York.

Accident and Health stock company, large or small, with more A & H than Hosp. & Med. Will consider life company having small volume of life and large volume of A & H. Any location.

These buyers have the CASH and are ready to deal, so send us complete information about your company.

All negotiations personal and confidential.

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Selling is Easier... **WHEN YOU HAVE MORE TO OFFER!**

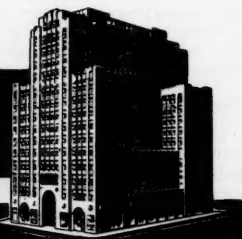
Discover, for yourself, the many extra benefits offered in all forms of The Maccabees insurance programs. All types of life protection, including juvenile, are available as well as liberal hospital-medical and surgical plans.

Compare these programs and their many plus features with any other on the market. You will find great financial and personal satisfaction in representing one of America's foremost Fraternal Benefit Societies.

Write today, for complete information.



MACCABEES
LEGAL RESERVE INSURANCE



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COMPANY MEN

Reault Ann Arbor Life Vice-president, Secretary

Joseph E. Reault has been elected vice-president and secretary of the newly organized Ann Arbor Life of Ann Arbor Mich.



J. E. Reault

Mr. Reault for 15 years has been with Maccabees as public relations director and associate manager of bond investments. He has held high posts in National Fraternal Congress and was elected president of Canadian Fraternal Assn. last May.

Before joining Maccabees he was with the Michigan department for 16 years.

Columbus National Names Graves Executive V.-P.

George M. Graves, former Alabama manager of Pyramid Life, has been named executive vice-president of Columbus National Life of Georgia. John L. McMurtree, director of agencies of Vulcan Life of Birmingham, has also joined Columbus National as field assistant and state manager. Roy Domingue of Lafayette, La., has become manager of the group division of the company.

Costal States Life of Atlanta acquired the controlling interest in Columbus National last December. Coastal States also controls General Life of Atlanta, of which company W. A. Lloyd of Atlanta was recently named executive vice-president.

The activities of three companies are now closely coordinated.

Manzer National Guardian's New Director of Agencies

Harry E. Manzer, Jr., has been appointed director of agencies National Guardian Life. He has been an agency supervisor since joining the company in 1947. Before that he was a life insurance salesman at Madison, having entered the business upon completion of service in the air corps.

Mr. Manzer is a graduate of University of Wisconsin and the L.I.A.M.A. school.

Joins Universal L. & A.

Maurice I. Carlson, a graduate of Southwestern College with a master's degree from Vanderbilt, has been appointed director of ordinary sales for Universal Life & Accident of Dallas.

Mr. Carlson entered life insurance in Dallas in 1942 and recently has had both home office and field experience. He became a C. L. U. in 1949.

Key Chief Accountant

D. M. Key, Jr., has been named chief accountant of Farm Bureau Life. He formerly was assistant to the executive vice-president of Eagles National Life, Cincinnati. He joined Farm Bureau in September.

Prudential Names Two

Prudential has appointed William C. Maloid associate counsel, and Armand C. Stalnaker assistant general manager. Mr. Maloid, a member of the law department since 1934, was formerly assistant counsel. Mr. Stalnaker, an economics and personnel specialist is a former associate regional manager.

Herman Lasker and his son, Richard, both of Eau Claire, Wis., were first and second in production for Mutual Life for September.

COMPANIES

Nebraska Nat'l Ups Capital

Nebraska National Life of Lincoln, is increasing its capital from \$150,000 to \$500,000. A resolution authorizing the increase was passed at a special meeting of stockholders and directors. President L. H. Engstrom said the increase was necessitated by the expansion program planned.

Nebraska National was organized in 1946 and operates in Nebraska, Missouri and Colorado. Last June the controlling interest was sold by B. R. Bays to Mr. Engstrom. C. D. Casper of Lincoln was named a new board member.

Launch New Tex. Company

American Service Mutual Life of Texas, a legal reserve company, has completed its organization. J. Hart Willis is president and general counsel; Lester C. Shine, organizer and a former executive of other life companies, chairman; Carroll B. Grant, vice-president; Dr. J. L. Dawson, vice-president and medical director; C. L. McNulty, secretary; Henry Van Maanen, treasurer and assistant secretary.

Award to Conn. Mutual

Connecticut Mutual has been awarded the "Oscar of Industry" trophy presented annually by the Financial World survey of annual reports to the company judged as having the best annual report in the insurance category. Peter M. Fraser, company president, will accept the award at a formal presentation at the annual awards banquet in New York City, Oct. 29.

New York Life placed second in the survey, and Metropolitan Life was third.

Northwestern Life on Oct. 20 is moving into its new home office building at 120 Sixth avenue North, Seattle. The company is holding an open house and official opening on Nov. 2.

Bankers Life of Iowa is preparing to enter the individual A. & H. field.

Shenandoah Life has acquired complete ownership of radio station WSLS at Roanoke.

Paul Revere Life has been licensed in Alberta for life and A. & H.

North Central Life of St. Paul has extended its operations to include North Dakota.

Phoenix Mutual has purchased for investment the 21-story Fawcett building



Pictured at Frank Sullivan dinner at Topeka: Commissioner John R. Lange of Wisconsin; Commissioner Donald Dickey of Oklahoma; Harold Goss, son-in-law of Mr. Sullivan; Ward Sullivan, his brother; Frank Sullivan, the honored guest, president of N.A.I.C., and Superintendent Lawrence Leggett of Missouri.

on 44th street in New York for \$2,800,000 and is leasing it back to Tishman Realty & Construction Co. for 15 years.

Joint Canadian Quarters

When the last previous Canadian meeting of A.L.C. was held at Toronto 19 years ago, the Canadian companies, with their well-known hospitality, took

suites in the convention hotel. Yet the supply of suites was such that there was a shortage of the accommodations for the visiting firemen.

This time R. Leighton Foster, general counsel of Canadian Life Officers Assn., remembered the 1932 situation and persuaded the Canadian companies to pool their hospitality facilities in a single headquarters suite.

FOR MEMBERS ONLY

In their recent highly successful "Visit the Members" campaign, Woodmen field men discovered a field for still greater service to members only. They are, therefore, continuing their visits to help Woodmen analyze their present protection. By year's end it is confidently expected that many thousands of Woodmen will have revised their protection programs to more fully meet their present-day requirements.

WOODMEN OF THE WORLD LIFE INSURANCE SOCIETY OMAHA, NEBRASKA

Something "Extra" with

MODERN WOODMEN LIFE INSURANCE

Like other Fraternal Societies, Modern Woodmen of America provides "extra" benefits in addition to modern life insurance protection. These benefits are given to members at no extra cost. Outstanding is Modern Woodmen's Polio Protection Plus whereby members automatically receive: immediate payment of \$250.00 when polio strikes; an additional payment of \$250.00 if the attack results in crippling after-effects or death. Only Fraternalism could possibly offer Modern Woodmen Polio Protection Plus at no extra cost.

(Attractive contracts and choice territory for Agents)

MODERN WOODMEN OF AMERICA ROCK ISLAND, ILLINOIS



EDITORIAL COMMENT

Constant Guard Against Socialism

The federal security agency has adopted a new tack in its efforts to extend the government's insurance activities by identifying its program with the growing problems of the aged and suggesting that only the government has the answer to them.

FSA's activity along this line should caution the business against any let-down in its opposition to socialistic legislation and perhaps encourage it to look ever more closely into the needs and wants of the older segment of the population with its increasing size and political strength.

Recent evidence of this new government approach to government health insurance was the suggestion of Oscar Ewing that free hospitalization insurance be given to everyone age 65 or older, a first step toward national health insurance.

FSA is also continuing its campaign for permanent and temporary disability benefits in conjunction with old age

and survivors insurance. W. J. Cohen of the social security board, speaking at the recent International Gerontological Congress at St. Louis, said that the alternative to the government's providing general income maintenance for the disabled would be a lowering of the retirement age. He believes that the pressure of an increasing number of disabled persons in upper age groups, who, he says, are not deriving any benefit in their lifetime from funds paid into social security might cause them to ask for protection at an earlier age. These people want either retirement benefits for disability or earlier pensions, he said, suggesting that it will be more costly to meet their needs by reducing the retirement age than by giving them direct help.

These comments meet with a great deal of sympathy among older age groups. The defects in these proposals must be brought to the public's attention. Unsound insurance proposals must be rebutted as soon as they are made.

Constructively Destructive Criticism

President Powell B. McHaney of General American Life is doing something novel and courageous in having "gripe boxes" installed at the home office to permit employees to bring to his attention any grievance, problem, or suggestion about personal treatment or working conditions that they don't choose to discuss with their supervisor, department manager, or the personnel director.

It is not a natural or easy thing to ask for criticism, particularly criticism from one's employees. For this is not an invitation to criticize that is really an invitation to flatter. It is a sincere offer to any employee who has anything that he wants to "get off his chest."

The obvious hurdle the system faces is the distrust of the true complainer. At first the mere existence of the "gripe box" system is just another item on his list of gripes. He considers himself too smart to be taken in by any such scheme—it's not going to accomplish anything and of course anybody who makes a complaint is putting his neck in a noose.

It should not be long, though, before even such chronic grouches are won over, as they see that there are no untoward consequences of speaking one's mind and that some of the gripes result in curing, or at least ameliorating, so far as the company can, the annoyances

that the griper complains of.

At the other extreme from the office cynic is the garrulous complainer who will see in the system the cure-all for his troubles and clutter up the president's desk with complaints that are more indicative of what is wrong with the complainer than of shortcomings in others or in the system under which he works. Yet even with such employees, the "gripe box" system may be of real value in bringing quirks to the surface, where they can be dealt with in a kindly, realistic way, probably through enlightened psychological consultation.

Between the close-mouthed cynic and the gabby neurotic, however, there must be quite a few good workers who from time to time have a complaint that is better suited to the "gripe box" than the suggestion box, even though under General American's system a constructive suggestion may win a worth-while cash award.

Not everybody who can spot a bad situation can also devise a cure for it. But in a good many cases the persons who might very well be able to work out a solution don't do it simply because they haven't had it called to their attention. Perhaps the solution calls for more research than the person making the complaint is in a position to conduct.

We believe we are voicing the same feeling that many insurance executives

had on reading of General American's "gripe box" announcement when we say that we will be much interested in learn-

ing the results of this move after sufficient time has elapsed to indicate how the plan is working out.

PERSONALS

A. C. Larson, Central Life of Iowa, Madison, Wis., celebrated his 76th birthday Oct. 1 by carrying on business as usual at his office. A native of Wisconsin, Mr. Larson graduated from Coe College in 1903, joined Central Life at Janesville, Wis., that year and became state manager when the office was moved to Madison the following year. He is a past president of Madison Assn. of Life Underwriters and was secretary of the National association in 1915-1916. In 1939 he retired from management duties and returned to personal production.

Leslie J. Cooper, associate actuary and tax counselor of Pacific Mutual Life is observing his 40 year anniversary. Early in his career he worked in almost all departments at the home office. He was appointed assistant actuary in 1924, associate actuary 12 years later and in 1943 acquired the added designation of tax counselor. He is a charter member of both the Actuarial Club of the Pacific States, of which he is a past president, and the Los Angeles Actuarial Club.

Recognized as an authority on tax matters, Mr. Cooper is a member of long standing of the joint committee on premium taxation. He has a wide acquaintance among state insurance officials and company executives throughout the country.

A graduate of University of Southern California, he has maintained associations developed there through membership in the Trojan Club and an active interest in football and other sports.

Harold A. Munson of Guarantee Mutual has received a fellowship award from Life Office Management Assn. He majored in the selection of risks. Mr. Munson has been with the company for 22 years.

Donald R. Grau, recently appointed by Equitable Society as loan superintendent at Milwaukee and previously with Equitable Society at Chicago, will become executive vice-president of Florida Assn. of Realtors Jan. 1.

Ben Goldish, veteran Northwestern National Life agent at Duluth, has completed 28 consecutive years of continuous membership in the company's Appa-Week Club. His 1,456 weeks of regular production sets a new record for that company.

J. M. Qualy, district agent for Northwestern Mutual at Richland Center, Wis., was honored at a winner to mark his 30th anniversary with the company. Frank R. Horner, Madison general agent, and Harry L. French, retired general agent, with whom Mr.

Qualy made his first contract, were among the 34 guests, as was Robert Qualy, district agent at Fort Atkinson, Wis. In his 30 years with the agency Mr. Qualy has written \$5 million, and his agency has more than \$10 million in force.

Milwaukee C.L.U.s Meet

Walter C. Mayer, Mutual Benefit Milwaukee, a national C.L.U. trustee, reported on the recent national convention in Los Angeles at the October luncheon meeting of the Milwaukee chapter. Diplomas were presented to Frank A. Comery, National Life of Vermont, and Hyman B. Parks, Prudential, by R. Wayne Allison, National Life of Vermont, chairman of the educational committee of the chapter. He also reviewed progress in the new educational course being conducted by University of Wisconsin at Milwaukee covering parts A and C.

DEATHS

JAMES W. STARR, 37, voted man of the year for Penn Mutual's Atlantic territory last year, died there. He was educated at Emory University and had been with Penn Mutual 15 years.

LOUIS J. OVERBECK, 51, for 27 years with Penn Mutual as supervisor of reinstatement, died at his home at Drexel Hill, Pa.

WILLIAM P. HARMS, 56, Kansas City Life agent at Washington, D. C., died there. He had been a member of the H. F. Gemme agency since 1948. He qualified for the President's Club twice and received the national quality award in 1951.

MRS. WALTER W. HEAD, 70, wife of the chairman of General American Life, died at St. Louis following a stroke.

Wash. Report Released

Commissioner Sullivan has released the Washington department's annual report. The department has dispensed entirely with the use of inserts and considerable new information is included. Synopsis of financial statements of domestic companies has been condensed and is substantially uniform for all types of companies.



B. N. Woodson, managing director of National Assn. of Life Underwriters; J. C. Higdon, president of Business Men's Assurance; and Holgar J. Johnson, president of the Institute of Life Insurance, at A.L.C.

THE NATIONAL UNDERWRITER

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OBSERVATIONS

Spectacular but Economical

Prudential's western home office at Los Angeles gets some spectacular and valuable advertising at an infinitesimal outlay. The home office building on Wilshire boulevard, in Los Angeles' "Miracle Mile," is lit up every night in a way that makes the modernistic structure stand out from its surroundings. Yet because the lights are high-efficiency fluorescents and only those near the window are turned on, the added cost of this illumination is only \$8 a night.

Giant Group Cases

A recent news release by General Electric Co. pointing out that its employees or their beneficiaries already have received more than \$45 million in benefits under its group insurance program illustrates the size of some of the individual group cases that are now in force.

The G. E. group life plan is 31 years old. Payments have been made to more than 17,000 employees or beneficiaries. The plan is one of the largest in American industry and represents in force of approximately \$1,250,000,000. It covers more than 98% of the employees of G. E. and affiliated companies. The program is underwritten by Metropolitan Life. G. E. pays about two-thirds of the cost and employees pay the remainder.

Metropolitan has one group life plan which is even larger. It is written on General Motors and represents more than \$2 billion of group life in force. Other large group accounts are that on Ford Co. employees, written by the John Hancock, and the Chrysler case written by Aetna Life.

These giant accounts usually involve an arrangement whereby the insurer retains a full time staff of employees at the plant of the employer to administer the plan.

Needle Ordinary-Only Agents

Entrance to the group field by ordinary companies usually relieves their agents of a source of heckling from agents of competitors. Agents of nearly all companies have some group insurance protection. However, a company not writing group must place the coverage with a company that does. This gives the agents of the group underwriting company an opportunity to needle their rivals about carrying insurance on their own lives in another company. This hurts particularly when an agent is overly enthusiastic about the superiority of his company over another.



Ralph R. Lounsbury, president Bankers National Life; Harry R. Wilson, vice-president of American United Life; and A. W. Larsen, vice-president United Benefit Life, at A.L.C. meeting.

Graebner at Louisville

H. C. Graebner, dean of the college of business administration at Butler University, who is a C.L.U., will address the Louisville managers Oct. 12 on "Recruiting on the Campus."

Guttery in Alabama Post

Pan-American Life has appointed W. K. Guttery general agent at Anniston, Ala.

He has been in life insurance since 1938 except for three years in the army and recently has been district manager of General American Life.

Unity Mutual Convention Set

Unity Mutual Life & Accident, Los Angeles, will hold its annual convention Nov. 12-14, at Del Mar, Cal.

Lowe Md. Chief Examiner

Denton S. Lowe has been promoted to chief examiner in the Maryland department. He has been connected with that department 36 years, starting as examiner. He later became chief clerk and examiner and since 1931 has been auditor and examiner. He is a registered public accountant and an attorney. As chief examiner he replaces John H. Coppage, who was promoted to deputy commissioner.

Confederation Ups Dividend

Confederation Life has indicated its intention of maintaining a quarterly cash dividend of \$3.75 per share on its stock. The \$2 quarterly dividend declared earlier this year has been increased to \$3.75 for the last two quarters.

A company by-law permits the authorized capital of \$1 million to be 80% paid up before the end of 1951. It is now 40% paid up. The board pro-

poses to have the stock 90% paid up in 1952 and fully paid in 1953.

Indianapolis Group to Hear Panel Discussion

"What Obligation Does the Life Insurance Business Owe the Citizens of Indiana?" will be the subject of a panel discussion at the Oct. 15 meeting of Indianapolis General Agents & Managers Assn. Featured on the program will be A. J. McAndless, president Lincoln National; K. E. Yates, vice-president Empire Life & Accident; G. R. Huffer, manager Prudential; and Fitzhugh Traylor, manager Equitable Society. Moderator will be R. W. Osler, vice-president of Rough Notes.

The discussion will take up such questions as "What is our service obligation to the group policyholder who didn't pay for service to begin with?", "What is our service obligation to rural territories where the cost of selling is high for the average agent?", "What is our obligation to warn the public about borderline companies?", "Where is the line between twisting and the obligation to tell the truth?", and "Have we the right to spend policyholders' money hiring job seekers instead of building career men?"

Form W. Va. Trust Council

West Virginia Life Insurance & Trust Council has been organized, sponsored by West Virginia Life Underwriters Assn. and the trust division of West Virginia Bankers Assn.

Warren H. Eirman, Clarksburg, is president; Clyde O. Law, Northwestern Mutual, Wheeling, and Alan A. Greenspon, Charleston, vice-presidents; David D. Taylor, Shanandoah Life, Clarksburg, secretary, and Earl E. Thomas, Charleston, treasurer.

To Talk on Human Letters

Harold P. McQueen, instructor in business letter writing, will talk on "Human Letters" at the Oct. 16 meeting of Chicago A. & H. Assn.

Southwestern Life has promoted Douglas M. Ibbott to chief underwriter in the home office. He has been assistant chief underwriter. He has been in the home office since 1940 and is a L.O.M.A. certificate holder.

CHARLES J. LOY, 63, assistant claim manager at Syracuse, N. Y., of Travelers, died there after an illness of several months. He had been with Travelers 41 years.



U. S. LIFE...

a better life to live!

It is hard to imagine projects such as the New York Herald Tribune Fresh Air Fund, the United Jewish Appeal, and the Urban League existing in a totalitarian country. The motives that start them, the tasks they perform, the nature of their support and everything they stand for grow out of convictions and feelings that are foreign to the thinking of non-democratic peoples.

For legions of poor young Americans the Herald Tribune's Fresh Air Fund means two wonderful weeks in the country. But it means more than that. It is often the introduction to a new concept of citizenship, of respect for themselves and others, and of the opportunities for a good life open to those who live in a free society.

Your contribution to the Herald Tribune Fresh Air Fund and other worthy movements helps to make U. S. Life... A Better Life to Live.



The insuring public's steadily increasing appreciation of United States Life's century of service is well expressed in the words of Captain Eddie Rickenbacker, "If a thing is old, it is a sign that it was fit to live. The guaranty of continuity is quality."



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Chairman of the Board

WILBUR M. JOHNSON
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No Hamilton Motion for A.L.C. This Year

Isaac Miller Hamilton, chairman of Federal Life of Chicago, and one of the founders of the American Life Convention, who was scheduled to make a motion for adjournment of the annual meeting Friday afternoon, was absent for the first time since the A.L.C. was organized.

Colonel Hamilton, who recently

passed his 87th birthday, is in good health but as part of his program of taking things somewhat easier he remained away from Toronto. It has long been a tradition to call on him for the motion to adjourn, to which he would respond not only with the adjournment motion but with a few personal reminiscences of the early days of the A.L.C.

guide those basic trends which will in the years ahead not only determine the future of our business but the economic and social character of the people of this country as well."

American Service Bureau Had Most Successful Year

In reporting on the work and activities of American Service Bureau at the A.L.C. meeting, Lee N. Parker, president, said the past convention year has again brought to the bureau the broadest patronage it has ever enjoyed, and by a very comfortable margin. Though limiting its service, with very minor exceptions, to life and accident insurance companies, the bureau, through its system of 40 branch offices, serves more than 1,800 individual accounts. He reported it is unfortunate that the bureau does not maintain a branch office system in Canada. He expressed the hope that it may in a not too distant future undertake such a program.

Last January a modest increase in charges for inspection reports went into effect. This became necessary not only to assure some net gain which, though very small, is a minimum requirement of a sound business, but essentially to maintain an adequate and contented representation in the field. It is hoped that further general increase in inspection charges will not be necessary, although the personnel problem is still a difficult one.

During the past year, all of the principal life and accident report forms have undergone revision, more effectively to cover the military status of applicants

in the younger age groups and in an effort to report more accurately habit data in all age groups. Here and there a new form has been drawn up or a special service undertaken at the instance of and better to serve individual companies or to answer special needs of a department.

A.L.C. Staff Alumni Present

Among those present at the A.L.C. meeting at Toronto were several former A.L.C. staff members, including Charles Adams, president of Ohio State Life; B. K. Elliott, executive vice-president of John Hancock, both of whom served as A.L.C. manager and general counsel; F. Edward Huston, vice-president and actuary of Guarantee Mutual Life, former A.L.C. actuary; and Victor A. Lunnick, associate counsel of John Hancock, former A.L.C. assistant counsel.

Life Medical Directors Meet at New York City

Dr. Philip S. Hench of the Mayo Clinic and Nobel prize recipient, Dr. H. M. Marvin of Yale University, and Dr. Francis D. Dieuaide, director of the Life Insurance Medical Research Fund spoke at a meeting of the Association of Life Insurance Medical Directors at New York City. Dr. Lauritz S. Ylvisaker, association president and medical director of Fidelity Mutual Life, presided.

Gordon Crosby, New England Mutual, addressed a luncheon of the Seattle managers on "The First Two Weeks of a New Agent's Training."

Cummings Treats 10 Current Trends in Insurance

Ten current trends in the distribution of life insurance were reviewed before the agency section of American Life Convention by H. J. Cummings, president of Minnesota Mutual Life. The trends had already been studied by his listeners, who during the summer had been asked to vote on the ones they thought most important.

In the order of importance, according to the vote, the trends were: mass selling; increase in the cost of life insurance; government competition; the decreasing value of the dollar; increasing volume of term insurance; inter-company competition in war clauses; more responsiveness to the needs of the public; the trend to branch offices from general agencies; the greater agency department voice in company decisions and the increase in the number of companies in America.

H. J. Cummings



Easy to Lose Perspective

"It would be trite to say that management should be alert to these trends and should influence and guide them in every possible way," Mr. Cummings said, "but it is difficult not to get lost in administrative, investment or other problems. Because of limitations in physical energy and in time, we tend naturally to look at our production records and persistency ratios, then figure that anything more is the agency head's worry. But the duty of guiding or of at least trying to influence trends that emanate, perhaps from more potent sources outside, can hardly be delegated to the agency department and forgotten."

"There are trends today which, unless controlled, may in the future strike at the very heart of our business. Government encroachment could become a great threat. Trends in the field of education, tending to destroy the principle of individual effort and thrift which built this great country and without which it cannot survive, may well be another."

"As never before alert leadership is needed. And the greatest business in the world has a profound obligation to supply its share of such leadership, to look beyond today's managerial problems and take an active part, individually and collectively, in helping to



Martin B. Williams, managing director Life Insurer's Conference; W. T. Grant, chairman of Business Men's Assurance, and Edward J. Schmuck, general counsel for Acacia Mutual, at A.L.C. meeting.

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Position open for experienced man. Must have good knowledge of all kinds of accident and health, hospital and medical policies and sound underwriting judgment.

Must possess executive ability, initiative, ambition and ability to maintain good relations with company representatives.

Must be able to get things done.

Such a man may now be employed where he has no opportunity for advancement. This young insurance company offers chance of a lifetime, a good salary, opportunity to be chief underwriter and to become an important member of its executive staff.

If you consider yourself qualified for this position, communicate in strictest confidence with Armed Forces Mutual Life Insurance Company, 1212 Grayson Street, San Antonio, Texas, Garfield - 9185. Jonathan M. Wainwright, President.

Unusual Opportunity for Pension Sales Director

Excellent opportunity for experienced man as director of sales for pension division. Company over 50 years old and well established in ordinary and group fields. Write in confidence, outlining experience and qualifications.

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Optimism at ALC Toronto Meeting

Policyholder and His Problems of First Importance

What He Wants from Business Told by Cecil Woods in A.L.C. Talk

TORONTO — The necessity for an understanding of the policyholder and his problems was stressed by Cecil Woods, president of Volunteer State Life, in his presidential address at the annual meeting here of American Life Convention.

Mr. Woods said the policyholder rightfully expects the leaders of the life insurance business to assume their full responsibility in all activities pertinent to the common welfare of all people. And in particular, he said, the policyholder wants the business to throw its full weight behind every sound movement for the preservation of his savings dollar.

"He is deeply concerned about the value of the dollar he has labored to earn and save. He asks that every branch of his government plan and take the steps necessary for its preservation. His whole family security program was created with full trust in the maintenance of its value. He grew to manhood with confidence in the value of the dollar. He wants to keep this confidence. He wants his country to keep it and the world to keep it. He is willing to make sacrifices toward that end. He expects his government to exercise the foresight and courage to do likewise.

Interested in Government

"As surely as I believe the life insurance policyholder is entitled to be called 'good citizen,'" Mr. Woods added, "I also believe he is giving serious thought to the plans and actions of those responsible to him in important matters of everyday life. First, I would say he is giving, and rightfully so, more consideration to his government. He is conscious of the ever increasing tax burden upon his shoulders; he knows that he and every man, woman and child in the United States paid last year to federal, state and local governments an average of \$360, a figure that has doubled in the short span of eight years.

"We can be sure the policyholder is willing to pay his full share of the cost of defense; just as he did in the two world wars, he accepts staggering financial demands of building and maintaining our defense forces. He asked only these sums be wisely spent. He knows the complexities of government by agencies; he feels he is justified in expecting better management in the administration of these agencies. He questions the many wasteful practices which surround him daily; he wants them eliminated and especially when he and all others are paying the stupendous costs of arming for defense."

Looks to Field Man as Adviser

Mr. Woods said that as the policyholder has become a better informed member of the vast family of life insurance owners, his interest in how his business is being conducted has steadily increased. He looks to the field man, his economic adviser, to show him the way. "He expects, and rightfully so, that the man we send to him is well ground-

(CONTINUED ON PAGE 32)

Wilde's Career Has Been Meteoric

Frazar B. Wilde, newly elected president of American Life Convention has been president of Connecticut General Life since 1936,



Frazar B. Wilde

when he took over the post at the age of 41. He had started with the company shortly before the first war, in which he served overseas. He returned to the company in 1919, became an auditor and then joined the claim department. In rapid succession, he became head of the claim department, of the accident department, of the group department, and the agency department. He became secretary of the company and in 1932 was named vice-president.

Mr. Wilde has been a member of the executive committee of A.L.C. since 1946 and has been on many committees and joint committees of life insurance associations. He has for the past year been chairman of the program committee and a member of the joint inflation control committee. He is a director of Life Insurance Medical Fund and chairman of the insurance committee for the voluntary credit restraint program. He is a trustee of the committee for economic development and served as adviser in real estate matters to the federal reserve board.

His first major act in insurance association work was in 1926 when he participated in a reorganization of the Accident & Health Bureau. He was one of the founders of Institute of Life Insurance.

Prepare for Princess

Those attending the A.L.C. meeting found Toronto bustling with preparations for the impending visit of Princess Elizabeth and her husband. The royal couple are scheduled to arrive in Toronto Friday, final day of the A.L.C. meeting. The visit made the hotel room situation additionally tight. People who had written for reservations months in advance found no choice but to accept accommodation in hostels other than the convention hotel, despite the latter's huge size.

Beal Combination Section Chairman, Hamrick Secretary

Orville E. Beal, vice-president of Prudential, was elected chairman of the combination companies section of American Life Convention at the annual dinner meeting of the section at Toronto. Mr. Beal, who was elected secretary at last year's meeting, has been acting



W. J. Hamrick



Orville E. Beal

chairman since Malcolm Young, former chairman, retired as second vice-president of Prudential.

W. J. Hamrick, agency vice-president of Gulf Life, was elected secretary. He presided at the dinner in the absence of Mr. Beal. The speaker was B. N. Woodson, managing director of National Assn. of Life Underwriters, whose talk is reported elsewhere in this issue.

B.M. A. Again Host at Breakfast Session

In line with its custom started a number of years ago, Business Men's Assurance was host to a large group of guests at breakfast during the A.L.C. meeting at Toronto. Chairman W. T. Grant introduced head table dignitaries and others.

Charles E. Cleeton, Occidental of California, Los Angeles, new president of National Assn. of Life Underwriters, the guest of honor, was called on for a talk. Mr. Grant inaugurated these breakfasts some years ago to get convention-goers better acquainted and to honor the incoming president of N.A.L.U.

Several of the executives at Toronto for the A.L.C. meeting had been in Canada since the recent meeting of Society of Actuaries. Most of them used the interval for vacationing.



Four of those on the legal section program: Gordon C. Reeves, assistant general counsel Lincoln National; Dudley Porter, Jr., associate general counsel Provident Life & Accident; R. D. Taylor, general counsel of Sun Life of Canada, legal section secretary, who presided as chairman in the absence of Powell B. McHaney, president of General American Life, the section chairman; and Millard Bartels, vice-president and general counsel of Travelers.

Wilde President; McHaney Russell to Executive Group

Inflation, Income Tax, War Pool Problems Fail to Cloud Atmosphere

By ROBERT B. MITCHELL

TORONTO — Problems of inflation, income taxation and war catastrophe pooling are much in the minds of those attending the American Life Convention annual meeting here, yet the prevailing atmosphere is one of optimism and a feeling that whatever problems face the life insurance business can be solved by diligent effort.

Not the least factor in this atmosphere of cheerfulness was the news that last Friday the Senate and House conferees had agreed to the 6½% federal income tax plan proposed by A.L.C., Life Insurance Assn. of America and Life Insurers Conference.

This year's A.L.C. meeting of course had a special quality because of being held in Canada. This is an unusual departure, as the A.L.C. ordinarily holds its gathering at Chicago, the last Canadian meeting having been at Toronto in 1932.

The Canadian life insurance people, always cordial and hospitable, made



Cecil Woods

OFFICERS ELECTED

President—Frazar B. Wilde, president Connecticut General Life.

Executive committee, new members—Powell B. McHaney, president General American (three years); Frederick D. Russell, president Security Mutual of Birmingham (two years, to fill out unexpired term of the late George Avery White, president of State Mutual).

Members reelected—F. W. Hubbell, president Equitable of Iowa; Ralph R. Lounsbury, president Bankers National Life, and H. P. Skoglund, president North American Life & Casualty.

Members ex-officio—S. J. Hay, president Great National, and Cecil Woods, president Volunteer State Life, the two most recent past presidents.

their U. S. colleagues feel entirely at home at Toronto and conveyed to first-timers in Canada a new sense of the close relationship that exists between the two countries.

Attendance, including wives, is about 850. While this is considerably below last year's corresponding figure of ap-

The time of the 1952 annual meeting is Oct. 5-10, the place: the Edgewater Beach Hotel, Chicago.

proximately 1,000, it is considered very good for a meeting held away from a centrally located spot like Chicago.

Alfred N. Guertin, A.L.C. actuary, discussing his report at the business session stressed the service that the A.L.C. renders to its member companies

in collecting and disseminating information. He indicated that his report would summarize the activities of the actuarial division of the A.L.C.

The members adopted memorial resolutions on John Marshall Holcombe Jr., who was managing director of L.I.A.M.A. and George Avery White, president of State Mutual Life, who was a member of the A.L.C. executive committee. A memorial resolution on all executives of member companies who had died since the previous annual meeting was also adopted.

Woods Address Given Wednesday

Following the meetings of the legal section and agency section Tuesday the first general session opened Wednesday with Cecil Woods, president of the A.L.C. and of Volunteer State, presiding.

Mr. Woods gave his presidential address, which was made available following the session in pamphlet form.

There followed the report of Robert L. Hogg, executive vice-president of A.L.C., and addresses by Commissioner Frank Sullivan of Kansas, president of National Assn. of Insurance Commissioners, and Charles E. Cleeton, general agent of Occidental Life of California at Los Angeles and president of National Assn. of Life Underwriters.

That afternoon Alfred N. Guertin,

actuary of the A.L.C., gave his report at the business session. After presentation of committee reports the new officers and executive committee members were elected.

Wednesday evening those attending the convention were guests at a cocktail party given by Manager John Johnson of the Royal York hotel, where the meeting was held.

Executives of the combination companies held their dinner Wednesday evening, the featured speaker being B. N. Woodson, managing director of National Assn. of Life Underwriters. W. J. Hamrick, Grief Life, section secretary, presided in the absence of Orville E. Beal, Prudential, acting chairman.

Speakers at the Thursday morning general session were E. M. McConney, president of Bankers Life of Iowa, on "The Responsibility for Field Management;" Dr. Lennox G. Bell, dean of the medical faculty of the University of Manitoba, on "Medical Research in 1951," and Lt. Gen. Albert C. Wedemeyer, vice-president of Avco Manufacturing Co., New York City, on "Security Is Our Business."

Luncheon speaker was Commerce Secretary Sawyer, whose subject was "North America Mobilizes Its Strength." Secretary Sawyer gave a comprehensive talk on North American unity, outlining

the various economic problems of joint interest to Canada and the United States.

At the afternoon session Roswell Magill of the New York law firm of Cravath, Swaine & Moore, former under-secretary of the Treasury, spoke on the tax outlook for 1952. The final speaker scheduled was President Charles G. Taylor, Jr., of Metropolitan Life but he was unable to be present because of illness.

That evening there was a reception at which the Canadian member companies of A.L.C. were hosts. This was followed by the annual dinner dance and entertainment.

The meeting will conclude Friday with the financial section session. Willard N. Boyden, vice-president of Continental

Assurance, will preside as section chairman. H. H. Edmiston, vice-president of Kansas City Life, will discuss the outlook for the mortgage market; Ronald A. McEachern, editor of the Financial Post, Toronto, will talk on "How This Canadian Sees It," and William R. Biggs, vice-president of Bank of New York and Fifth Avenue Bank, New York City, and chairman of the Brookings Institution, will discuss inflation and the U. S. economy.

John Stuart, chairman of Quaker Oats Co., will be the luncheon speaker. Afternoon speakers will be D. B. Mansur, president Central Mortgage & Housing Corp., Ottawa, "Economic Growth and Life Insurance," and Carol M. Shanks, president of Prudential, "The Value of the Dollar."

J. G. Parker Tells How Better Agent Selection Has Built Public Confidence

More careful selection of agents during the past 25 years has resulted in a more extensive and better informed service to the general public, John G. Parker, president of Imperial Life, told the agency section of American Life Convention. This betterment in service to the public, he added, has created a betterment in public opinion both of the business and the agent.

In addition to better selection, Mr. Parker said, the improved situation of life insurance in Canada is also due to the training plans which the companies have instituted. These have added to the prestige of the men and have widened the scope of service which they have been able to render to the public.

"Life insurance must still be sold," Mr. Parker remarked. "We must still go out and find our clients and sell our product to those clients, but it is immeasurably easier to gain access to those clients, to gain their confidence, to gain the information necessary to give proper service, than it was in former years. Indeed there is no comparison as to the regard which the general public now has for the agent as compared with 45 years ago."

Good Agent Must Know Laws

"A very important part of the service of the agent arises from the complexity of our laws governing all types of business, laws governing income taxes, estate and gift taxes and the laws governing life insurance itself. He must have full knowledge of these to give sound and proper advice to clients in arranging their estates and in applying life insurance as a solution to varying business situations. The diversity of income and

annuity settlements offers another broad field of service requiring expert knowledge in many related matters in regard to the settlement of estates. The agent with this knowledge and giving such service is in a very true sense a professional man."

The agent formerly selling strictly ordinary individual policies will in the future more and more want to be reasonably informed on group insurance, Mr. Parker declared. Even if an individual only sells an occasional case of this type, it can add substantially to his income. And his entree and prestige with his own clients, Mr. Parker added, should enable him to secure such business if he is reasonably informed in regard to it; there is no reason why he should let it all go to the so-called specialists.

Warns on Rate Cutting

Mr. Parker said that the great growth of group insurance has resulted in a much wider distribution of insurance as a whole, with a consequent growing regard for the business, heightened by the prompt settlement of claims which it is generally possible to effect in group insurance. There is, however, a danger in present group practices which may cause an unfavorable public reaction to the business, he continued. Because of strong competition for large cases, he said, there has grown up a practice of quoting rates and shortly after cutting them to meet the rate of a competitor. Mentioning that this applies not only to group life and group casualty business, but in some measure to group annuities, he said that it has involved replacement of existing cases as well as rate cutting and retention quotations for new cases.

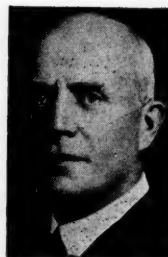
Unfortunately, Mr. Parker remarked, these practices have taken away from many men the opinion that life insurance is an exact science based on experience, with rates designed to combine safety and as low a net cost as is compatible with safety.

An agent should sell his product by selling the benefits afforded through life insurance and not by coming back repeatedly with a lower and lower rate, Mr. Parker opined. The practice of rate cutting merely to secure business will destroy the public's confidence in the business. The public could easily develop a suspicion about the business as a whole, wondering if it is getting the "best rate" in any kind of policy being purchased.

Offers Solutions

As a solution to this problem, Mr. Parker suggested a commonly accepted set of principles concerning consistency of treatment and prevention of discrimination between groups in the same company, and a more frequent exchange of views and opinions as to credibility of experience and the margin for prospective contingencies.

"It would seem good business to me," Mr. Parker commented, "for top management in life insurance not only to applaud the fine totals of group business



J. G. Parker

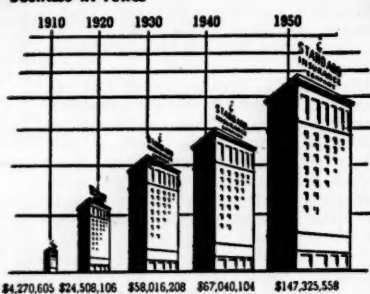
Insurance in force reflects STANDARD'S acceptance

From its beginning in 1906, Standard has had uninterrupted growth, accelerating in recent years, always keeping pace with the progress and expansion of the Western territory it serves. Today 47,648 Westerners own over \$147 million of Standard insurance.

The average size of policy in force is \$3,081.

One of the best indications of policyowners' evaluation of their life insurance contracts is the termination rate. Again in 1950, Standard's termination rate was among the lowest in the country. Much of Standard's business each year comes from present policyowners who are increasing their life insurance programs.

BUSINESS IN FORCE



Insurance in Force increased \$10,283,899 in 1950 to a total at the end of the year of \$147,325,558. Number of policyowners in the Company is now 47,648. The average size of policy is \$3,081.



STANDARD
Insurance company

Established 1906

HOME OFFICE • PORTLAND, OREGON

A Western Company owned by its Policyowners



Mr. and Mrs. James A. McLain. Mr. McLain is president of Guardian Life.

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Robert L. Hogg

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Controls Necessary but They Must Be Kept at Minimum

**Real Problems Ahead Are
at Federal Level, R. L.
Hogg Reports to A. L. C.**

It becomes the problem of the government to sustain the preparedness



Robert L. Hogg

program with the least possible dislocation of our economy, Robert L. Hogg, executive vice-president and general counsel of A. L. C. said in giving his annual report at the general session Wednesday. This is but another way of saying there must be controls over the individual, he added, but they must be kept at a minimum.

"Probably the most important source of our present controls is the attempt to curb inflation," he said. "This subject is of foremost interest to the life insurance business. . . We are responsible to the purchasers of life insurance to do everything in our power to preserve the purchasing power of every dollar of insurance proceeds. Long before the Korean incident, the life insurance business was very aggressive in pointing out to the public the dangers of inflation and means of curbing it. The life insurance business has been one of the leading exponents of the principle that inflation is largely a matter of the expansion of credit. American Life Convention and Life Insurance Assn. of America have done more than merely render lip service to this program to curb inflation. Nine months ago the two organizations prepared and presented to Congress a well-defined statement as to the causes of inflation and some of the suggested remedies."

Will Be Continuing Program

The business has been in the forefront of institutional investors in co-operating with the federal government through its federal reserve board in seeing to it that there should be no extension of credit if it has an inflationary tendency, Mr. Hogg said. A.L.C. member companies are fully advised as to what the business has been doing in this particular field. It will be a continuing program which will demand the attention and cooperation of the companies for many months to come.

but to look closely into the sales methods, rate setting procedures and the whole basis of operation of this business within the company and within the industry.

Mr. Parker observed that the tendency of the public to buy higher average size policies serves almost as an escalator clause in the agent's earnings as long as he sells as many policies a year and sells the same type of average premium. Many agents, however, while keeping their volume up have not kept pace with the cost of living because their number of sales has slipped gradually, and they have sold more term insurance. Because of this, Mr. Parker believes that home offices should constantly emphasize the importance not only of average policy but of number of sales and average premium as they ultimately affect commission earnings and the agent's ability to keep pace with the increasing cost of living.

Mr. Hogg then pointed out that in spite of the tremendous growth of the life insurance business in the past 14 years, the expansion of the federal program of social security and all of its present and future ramifications has practically forced private life insurance business to take a back seat. He gave the total amount of life insurance in force (as quoted from actuarial study 31 of the social security division of federal security agency) under the old age and survivors program and in veterans administration of \$233 billion and the total for private life insurance as \$244 billion.

In Competition With Government

"Assuredly we are in competition with government, and on a most unfavorable basis," Mr. Hogg said. "Social security long ago left the poorhouse category. It has gone across the tracks and is very effectively competing with private enterprise. Under a program of educating the public as to its 'rights' under social security, private insurance is taking a terrific chastisement, if not directly, at least indirectly. Under the label of educating the public, insurance does not have the facilities for promoting this propaganda as do the exponents of social security expansion."

Mr. Hogg concluded: "At practically every one of our annual meetings, some-

one comments upon the fact that everything that affects the American economy affects life insurance. By that same token, if we follow the things that affect our economy, we are going to follow about every legislative activity. Commencing with the turn of the century, we have seen a consistent change in the attitude of the federal toward the state governments. By a system of rewards and punishment, the federal government has invaded about every phase of state sovereignty. The so-called grants-in-aid have given the federal government undisputed control of entirely too many state functions. With the grant-in-aid principle the federal government has about taken over from the states complete control over many phases of education, highway construction, conservation and the like. It is an ingenious device.

"Then came the penalty idea developed by the unemployment insurance part of the social security program. Under it, the federal government said: 'We will tax you 3% on your payroll, but if your state will do certain things and enact certain tax laws, we will credit your tax liability with what you pay the state.' The picture was complete. The reward was forthcoming for following federal dictates. There was reward for doing, and penalty for failure to do what was desired by the federal govern-

ment. There is no wonder, then, that every vestige of power today to do the things that affect our economy, rests in the federal government. The basic interests of life insurance are accordingly wound up in the policies at the federal level. This prompts me again to say that the importance of our relations with the federal government are not going to diminish. They are going to increase. Like every business, our real problems ahead of us are at the federal level."



From North American Accident: James Manzelmann, assistant agency director, and Robert R. Neal, vice-president.



REFLECTIONS AT 50

These are some of the things we think about as we move toward the end of our 50th year.

What a grand business Life Insurance is because nowadays, more than ever before, it is the *only* means by which the average man may hope to create an estate.

How fortunate we are to have such a fine, loyal, fast-traveling field force which has to its credit so many outstanding progress records.

These two thoughts make the future look good to us.

**The NATIONAL LIFE
and ACCIDENT
Insurance Company**
INCORPORATED



Life Insurance Distribution Big Topic for Agency Leaders

CROSS SECTION OF OPINION

Agency Executives' Ideas on Current Trends Surveyed

What a cross-section of agency executives thinks about the trend to term, selection standards for agents and mass recruiting; mass selling, A. & H. institutional training managerial training and increases in business through brokerage sources was presented by W. P. Worthington, executive vice-president of Home Life of New York, at the American Life Convention agency section meeting.

The consensus seems to be that the sale of term insurance has gone beyond the point where it is in the best interests of the public, the field men and the companies themselves. Mr. Worthington quoted several representative replies to his questionnaire. Samples are:

"Availability of decreasing term riders

has been good for the family man but insufficient guidance of the agents has resulted in many term sales to buyers with ability to pay for the additional savings feature of ordinary and long term endowment. The most dangerous trend is toward the very long term plans. Most men go through a number of acute financial stress periods and if term is the basic program the term will disappear and there won't be a program. Often the only way in which the amount of insurance called for by a program can be carried is through a substantial amount of decreasing term.

"The desire to make records based on face amount results in a tendency to write a large volume of term, particularly when an agent is trying to

qualify for the Million Dollar Round Table or a company convention. Recognition should be given more on the basis of commission income than face amount. The companies themselves were responsible for the sharp rise in term sales which took place following the introduction of CSO rates. However, the sales spurt should drift back to the normal pattern within a year.

"There seems to be a race on between the companies as to who can offer the most term coverage for the least premium. This is extremely hazardous to the entire fabric of life insurance distribution and it will not be counteracted until every segment of the business comes to understand just what danger is involved."

One company changed all its emphasis to premiums the first of the year.

An officer of another company saw a distinct correlation between the volume of term written and the credits given for term.

Answers were practically unanimous that there has been no let-down in selection standards for new agents. Less is heard about selection tests than five years ago, largely because they are now taken for granted. All companies contacted are constantly attempting to upgrade their agency staffs.

Replies on Mass Selling Varied

Mass selling brought a wide variety of answers. Samples: "The question in my mind is whether the group market is big enough to have as many companies engaged in it as there are companies engaged in the individual policy field. If the agent is by-passed as far as commission is concerned, through special deals and the like, then the American agency system could be adversely affected. There seems to be some trend in this direction, particularly in certain of the group undertakings."

An executive of a company long in the group field said there had been no recent objections from its field force and he doubted that this was merely a reflection of the present full-employment situation. He believes the existence of group insurance is as potent a factor in helping future individual sales as in hurting them.

From a manager: "... Mass production can be maintained on a high level without materially affecting the present agency system provided the companies will follow the model bill recommended by National Assn. of Insurance Commissioners."

A general agent of a company active in pension trusts but not in group believes that the present market is not sufficient to support all the companies that are in the group field plus those that will get in and that "10 years from now, in a fight for survival, certain practices which we now consider unwholesome will become commonplace." He mentioned rate competition through retention of premiums, departure further and further from the

(CONTINUED ON PAGE 31)

W. R. Jenkins Heads Section; P. T. Carter Named Secretary

Hanselman Bespeaks Top Management's Part in Controlling Developments

An illuminating analysis of highly significant trends in the distribution of life insurance, coupled with warning that if these trends continue on their present courses they will change the agency system beyond recognition in 10 to 15 years, marked the agency section meeting of American Life Convention at Toronto.



W. R. Jenkins

Chairman Wendell F. Hanselman, who is vice-president and superintendent of agencies of Union Central Life, voiced the warning about what these trends could do to the agency system. "Anything that threatens to change the agency system of distributing life insurance," he said, "will vitally affect the entire structure of the institution. Therefore, isn't it essential to their position that men at the top level of life insurance management not only take



W. F. Hanselman



Perry T. Carter

notice of any trend that may affect the agency system but also take responsibility for the direction and control of such trends?"

Among the many trends discussed were mass sales, government encroachment, the rise of term insurance, better selection of agents, and improvement in the selection and development of managers and general agents.

OFFICERS ELECTED

Chairman—W. R. Jenkins, vice-president Northwestern National.
Secretary—Perry T. Carter, vice-president of Travelers.



W. B. Stannard, vice-president of Occidental of California; Don L. Parker, vice-president and actuary of Security Mutual of Nebraska; and Burr Betts, treasurer of Security Life & Accident of Denver.

"As each of these trends is laid out on the table before you in a factual manner it will be up to you to decide which are in the best interests of the public and of the institution of life insurance and which are destructive to these interests," said Mr. Hanselman. "It will be up to you to decide what can be done to encourage the favorable trends and what can be done to control those which are unfavorable."

At the conclusion of his introductory

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An action-packed drama that drives home the benefits of complete coverage.

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The sales plan that develops larger premium... greater commission. Another reason why General American Lifemen are in business always.

COVERS DEATH

COVERS UNEMPLOYMENT

COVERS OLD AGE

COVERS DISABILITY

Ready Money Checkbook
GENERAL AMERICAN LIFE INSURANCE CO.

GENERAL AMERICAN LIFE INSURANCE COMPANY
St. Louis, Missouri

remarks, Mr. Hanselman said that "some of these trends are so powerful that their control and direction into proper channels challenges the best that is in all of us individually and collectively."

Other speakers on the agency section program, whose talks are reported elsewhere in this issue, were Charles J. Zimmerman, managing director of L.I.A.M.A.; William P. Worthington, executive vice-president of Home Life of New York; John G. Parker, president of Imperial Life of Toronto, and Harold J. Cummings, president of Minnesota Mutual.

Big Opportunity in Blue Collar Market, Zimmerman Says

Charles J. Zimmerman, managing director of Life Insurance Agency Management Assn., speaking on "The People We Sell," told the A.L.C. that the desire of the American people for security has not lessened in the past decade, although the percentage of income dollars going into life insurance has decreased. People are still putting about 7½% of their income into various forms of personal security, he added, but there has been a very marked shift in the growth of certain types of personal insurance.



C. J. Zimmerman

"We know that national income increased 167% from 1940 to 1949, while disposable personal income increased

149%. Life insurance premium income, however, only increased 73% from 1940 to 1949. Where has the growth occurred? Here are some of the figures: A. & H. premiums have increased 235% in the past decade; hospitalization and medical care premiums have increased 1,572%; expenditures to retirement pension funds have increased 352%, and social security and other payments to government have increased markedly."

Looking closer at the status of the people, Mr. Zimmerman continued: "Our productivity is increasing at a rate of about 2½% a year, and our standard of living is increasing at about the same rate. Who is benefiting most by this increased activity?

Blue Collar Market Benefits Most

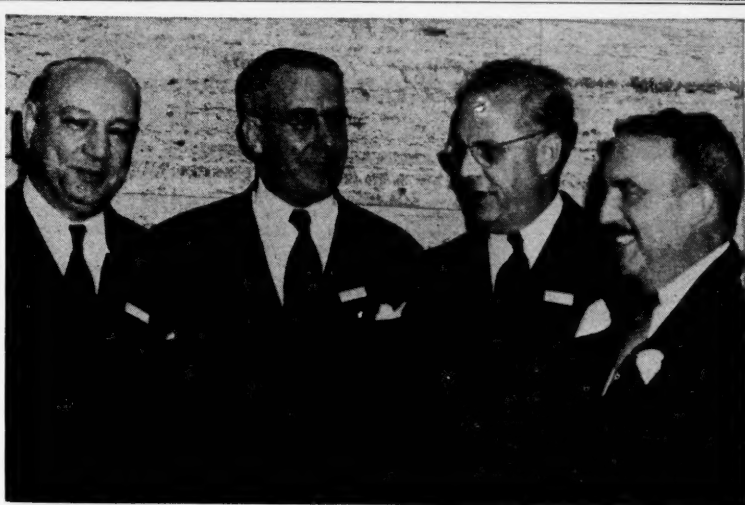
"We have put a floor—or an elevator—under all income earners. The only people who have not increased their net income after taxes are the very high income people, those earning more than \$25,000 a year. More people have more purchasing power, even in terms of the 1939 dollar, than ever before in our history."

"The blue collar market—skilled and semi-skilled workers—benefited most. A large segment of that market has outgrown the weekly premium method of purchasing life insurance. We have not adequately covered any segment of our market, but this particular segment has been even less adequately covered than others."

Not a New Market

Mr. Zimmerman said that "there has been a good deal of talk and almost as much misunderstanding about the so-called blue collar market."

"The blue-collar market is not a new market," he said. "It is simply a new name for an old market. The blue-collar market is made up of skilled and semi-skilled workers, including foremen and supervisors. This market has enjoyed a very marked growth both in



Ray E. Fuller, agency vice-president Equitable of Iowa; George M. Selser, vice-president and secretary United States Life; Frank F. Weidenborner, agency vice-president Guardian Life; and W. R. Jenkins, vice-president Northwestern National Life.

numbers and in improved earning power."

"In 1940 there were 11,142,000 adult males employed in those activities which are now termed the 'blue-collar market.' By 1950 this number had increased to 15,456,000. In 1940 the blue-collar market represented 33% of employed males. By 1950 it had increased to 38%. In terms of spending units, 60% of those in the blue-collar market earned \$3,000 or more in 1950. Only 46% of all spending units earn \$3,000 or more. Further, 13% of the blue-collar market earned \$5,000 or more, as against 16% of all spending units earning \$5,000 or more. Only the managerial and self-employed and the professional and semi-professional groups enjoyed higher average income than the blue-collar

workers."

Mr. Zimmerman said the 1949 buyers study of L. I. A. M. A. showed that in that year 31% by number of policies and 21% by volume of ordinary insurance was purchased by members of the blue-collar market. However, ordinary agents sold only 22% by number of policies and 13% by volume of business to members of the blue-collar market.

Mr. Zimmerman gave a number of population statistics and said that these indicate that there will be many more people to sell in the years to come; these people will fall in different age groups than has been true in the past, with a greater burden being placed upon the productive population; certain areas will grow more rapidly than others; the

(CONTINUED ON PAGE 32)

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MORE THAN A CONTRACT

... it's a CAREER!



★ **SOUND TRAINING**
through intensive study and field work under CWSL's nationally-recognized "You, Inc." training plan.

★ **LIFETIME COMPENSATION**
... attractive first year commissions and continuous renewals, plus extra bonuses and awards.

★ **MANAGEMENT OPPORTUNITIES**
... for those who demonstrate interest and aptitude in this phase of the life insurance business.

★ **ASSURED RETIREMENT**
through CWSL's liberal retirement plan for Agents and Managers.

California-Western States LIFE INSURANCE COMPANY

HOME OFFICE: SACRAMENTO

Congratulations to a neighbor of ours



CECIL WOODS
President, Volunteer State Life
Insurance Company

Congratulations to Cecil Woods on his excellent work during the past year as president of the American Life Convention—a year in which our neighbor furthered the cause of the life insurance industry with the same knowledge and energy which has contributed so much to the progress of his own company and the continued elevation of Chattanooga as an insurance center and a progressive city.



Greetings From Sunny Southern California ...land of Health and Wealth



We're mighty proud of California's fine climate and rapid growth of industry, but more important yet we're even more proud of Constitution's place in the insurance world in the West.

**"One of the West's leading Life
Insurance Companies"**

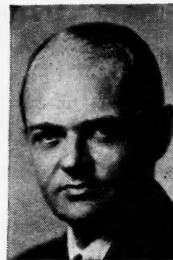


**Constitution Life
Insurance Company**

431 SOUTH VERMONT AVE.,
LOS ANGELES 5, CALIFORNIA

Bartels Outlines Problems Raised by Atomic Warfare

Millard Bartels, vice-president and general counsel of Travelers, attracted a great deal of attention at the legal section meeting with an arresting speech outlining the legal problems that might arise from atomic war risks. He said that in the past year both the state and federal governments have taken a lively interest in proposals to adjust the life insurance business to the modern war risk and the attitudes of the governments on the two levels seem to be pressing in opposite directions. The states presently appear to be in favor of compelling the assumption by life insurance companies of catastrophe war losses, he stated. The statutes of several states specifically prohibit a company from excluding from coverage civilian war deaths. The New York law is the most comprehensive against using exclusionary language. Its philosophy forces full coverage of war-caused deaths of civilians in the home area. At the last session of the New York legislature, the law was amended so as to allow the companies even less freedom in dealing with war risks. The law now prohibits the use of status exclusions with regard to risks of military service outside the home area.



Millard Bartels

Mr. Bartels characterized this action in curious contrast with the policy of the same state with respect to fire insurance. Because of the danger to fire insurers of war losses and the obvious inability of any rate structure to contemplate the risk, the law of New York requires that fire insurers protect themselves in war damage in the home area by excluding from coverage loss caused directly or indirectly by enemy attack or armed forces. Yet, he said, the possibility of catastrophe losses to life insurance, as well as fire insurance in the cities of New York cannot be overlooked.

States Favor Assumption

According to the speaker, the present attitude of many state insurance commissioners seems also to favor acceptance by the companies of the civilian mass hazard. He recalled that last December the N.A.I.C. adopted a report of its life committee setting forth recommended principles for testing the propriety of war risk exclusions. These do not allow for excepting civilian war risks within the home area or catastrophe losses as such. This action was taken in spite of the recommendation of a special war, clause sub-committee of the business to the life committee of N.A.I.C. that life insurance companies be allowed to exclude from coverage civilian war hazards. He said that in the report of the life committee of N.A.I.C. adopted last June, there are indications that the matter is pending more because of the study which is being made by the business of a way to apportion excess civilian war mortality losses among the companies than because of the recommendation of the companies that they be allowed to relieve themselves of the modern war hazard.

Turning to the federal views, Mr. Bartels said that last summer Senator Frear introduced a war disaster act bill. The speaker said that Elmer B. Staats, assistant director of the bureau of the budget, presented a very enlightening statement concerning the bill to a sub-committee of the senate banking committee. His first assumption was that an enemy attack on the country would inflict destruction on an American city within a few seconds very easily exceed-

ing the total bomb damage inflicted upon any European city during the last war.

Private Resources Inadequate

The second assumption of Mr. Staats was that the resources of peacetime insurance and compensation systems cannot meet the needs of the situation. The speaker said that the opinion was expressed that war risk cannot be spread in accordance with insurance principles by private insurers or by government itself and that some federal assistance is necessary to insulate private insurance from the imponderable liabilities of warfare in order to protect peacetime beneficiaries.

The third assumption was that the federal government cannot avoid responsibility for meeting the essential needs of the entire population. Still another assumption was that it is not desirable to enact in advance detailed legislation prescribing an organizational blueprint for coping with the entire problem. A stand-by plan providing general authority in the President to meet whatever situation develops was thought necessary.

PRESIDENT'S ROLE

Mr. Bartels said that the part of the bill which is of particular interest to life insurance people gives the President the power to suspend payments under life insurance contracts made prior to the enactment of the bill whenever the President finds that war-caused injuries and deaths have occurred or are imminent in sufficient numbers to endanger the solvency of insurers. If this power was to be exercised, the President must provide a program of benefits from federal funds.

The speaker observed that apparently the restriction that this moratorium power be exercised solely with respect to contracts made prior to the enactment of the law is based upon the assumption that life insurance companies will protect themselves against war-caused losses in contracts issued after the enactment of the law. This assumption fails to consider state laws like that in New York or the attitudes of individual commissioners who might claim to have statutory right to refuse to approve a civilian or catastrophe war clause because it is contrary to the principles adopted by N.A.I.C.

Mr. Bartels asked that this moratorium idea be compared with the provisions of another section of the bill which gives the President the power to relieve absolutely war-caused liability for workmen's compensation payments under state laws. A time limit is also imposed on the exercise of this power in order to allow state legislatures to amend their workmen's compensation laws so as to exclude any liability of an employer or his insurer for war-caused injuries and deaths.

The speaker related how since the



Carl Mitcheltree, president Columbus Mutual Life, Mrs. Mitcheltree, and Leighton Foster, general counsel Canadian Life Officers Assn., at A.L.C. meet.

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bill was introduced the casualty insurance industry in cooperation with other groups has asked for more definite relief from liability for war-caused casualties under the compensation laws, state non-occupational disability laws and contracts providing coverages of these kinds. The relief sought is to be effective upon enactment of the federal law rather than upon the exercise of discretion by the President after provision is made for war indemnity payments. In the case of compensation it is acknowledged that the premium charged cannot cover war risks and it is felt that state law should not impose even the possibility of such a liability on the employer or his insurance carrier.

The speaker said that the aggregate powers of Congress appear adequate to permit it to settle any doubts about contractual and statutory liability for war-caused losses. Congress may act before or after the occurrence of a war catastrophe. It may suspend liability for payment on account of war-caused injuries and deaths or it may substitute a social indemnity for such payments and discharge liability under contracts and statutes. There is ample precedent showing that Congress may prohibit or invalidate in whole or in part contracts interfering with its policy and that such action will not be struck down under the due process clause. Insurance contracts do not fall in a special category, the speaker said. They exert a substantial effect upon interstate commerce, currency and finance. Without a war clause they might influence unfavorably the nation's ability to finance war and post-war national welfare.

Mr. Bartels termed it strange that the proposed war disaster act should give the federal government a right of subrogation against life insurance on account of benefits paid under its social program. He commented that the statement by Mr. Staats emphasized the need for federal action to help insurers out of the predicament created by large war losses. Preservation of war liabilities in favor of government does not seem compatible with the objective of keeping insurance companies sound to provide normal peacetime protection, he declared.

Application of Subrogation

Mr. Bartels commented, "This aspect of the proposal is inequitable and inconsistent with principles of subrogation. Other valuable rights besides rights to life insurance proceeds might accrue as a result of war-caused deaths. It could be argued that if subrogation is to play a part in the program it should apply to all property owned by the recipient of war disaster benefits."

The speaker commented that undoubtedly companies with offices in target areas are taking steps to assure survival of secondary evidence of their more important records. But he asked how the courts would treat the admissibility of such evidence on microfilm and other secondary evidence under the assumed circumstances. He said that since this is dealing with records which have been involuntarily destroyed, an explanation of the reason for the absence of the original should be controlling. He commented that many statutes have recently been passed by state legislatures dealing with the admissibility of copies of records voluntarily destroyed and that none of these laws should be interpreted as opposing additional conditions on the use of secondary records in the event of atomic war.

Body Identification Trpables

According to the speaker the most gruesome of the problems which might follow the hypothetical explosion is that of identifying the bodies of insured, beneficiaries and annuitants. This raises the question of to what extent civilian defense certificates of death would be helpful and what identifying information should be called for. In many instances, he said, it might be necessary to bury as many as 50,000 people within a very short time. This has given rise to a suggestion that all persons in the

United States be required to be "dog tagged" and to submit to fingerprinting. It raises the question of whether the companies should encourage policyholders to submit special marks of identification.

He concluded by saying that despite the attitude of state regulation toward catastrophe exclusions, a federal plan to relieve insureds from such catastrophe war losses would in all probability be held constitutional.



Robert B. Richardson, president of Western Life of Montana; and Joseph M. Bryan, 1st vice-president of Jefferson Standard.

Brunstrom Warns of Danger in Field of Municipal Taxes

The greatest danger in the whole field of life insurance company taxes is the growing unnumber of municipal taxes against either the life company, the individual agent or an agency, Irving V. Brunstrom, attorney of A.L.C., told the legal section.

Urging that the insurance be alert and present arguments when state enabling acts are proposed which would authorize these municipal taxes, Mr. Brunstrom reviewed the successful opposition to such a law in Indiana in 1949 by the Indiana business community.

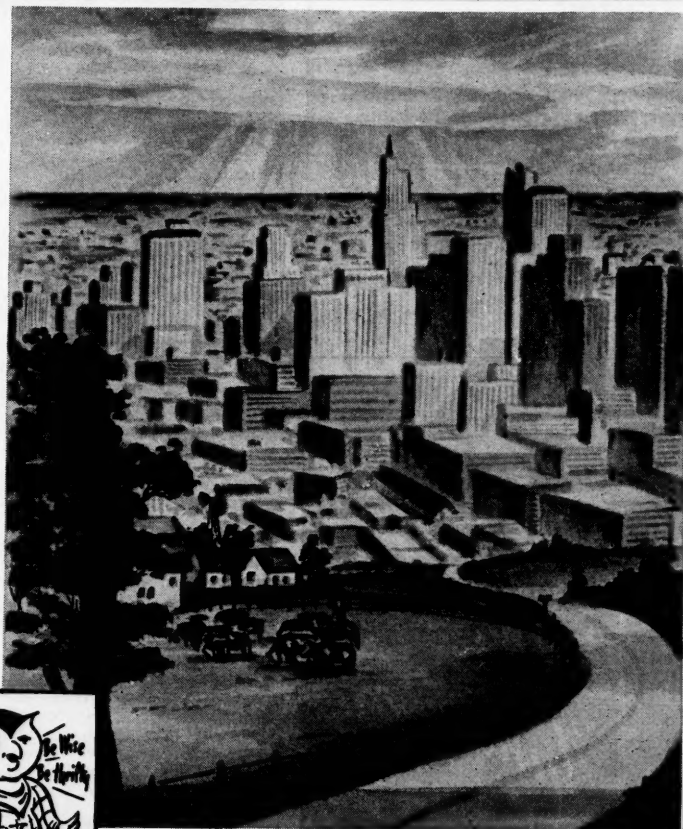
States Not for Socialization

"In spite of a ten-fold increase in our premium tax bill the past 45 years," Mr. Brunstrom said, "I see no great threat to the business from that source in the immediate future. The trend toward socialization so evident today is not an outstanding characteristic of our state governments. By and large, state legislators are close to the people. Valid arguments by their constituents are still convincing. The business must depend for fair treatment in the tax

field upon the efforts of each of us in our states. We do not ask for favors but for even-handed justice, and if any business deserves that, our business does."

With all its defects, Mr. Brunstrom said, the premium tax is here as a permanent imposition. He said that it imposes an unequal burden on companies, falling with greatest weight on the younger and smaller companies, but that balanced against this defect it does have some merits, especially from the tax-collector's viewpoint. Among these merits are that it is relatively simple to compute and easy to collect, it gives a state with no life insurance companies an opportunity to collect taxes in proportion to the premiums paid by its residents, and the tax increases with increased amounts of insurance.

"The original idea underlying life insurance taxes—that the companies should pay for the support of state insurance departments—has now been completely abandoned," Mr. Brunstrom said. "Today premium taxes are regarded merely as another source of general revenue. Over the country as a whole, less than 5% of the premium taxes collected are for insurance department expenses."



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Legal Section Names R. D. Taylor, Millard Bartels

**Prepared Comments on
Formal Papers Prove to
be Welcome Innovation**

The meeting of the legal section of American Life Convention at Toronto was highlighted by a new departure that enlivened the discussion of formal papers and assured that comments would not be limited merely to what members might remember after hearing the paper presented orally.



R. D. Taylor

Under this plan, each of those presenting papers sent a copy of his talk well in advance to several other members interested in the same subject. This permitted exceptionally well-informed discussion of the papers, although there was no limitation of off-the-cuff discussion from the floor.

Those presenting papers did not read them in their entirety but limited themselves to oral summaries of about 20 minutes, those giving prepared discussions spoke about five minutes each.

OFFICERS ELECTED

Chairman—R. D. Taylor, general counsel Sun Life of Canada.

Secretary—Millard Bartels, vice-president and general counsel of Travelers.

Powell B. McHaney, president of General American Life, was unable to preside as chairman of the legal section because of remaining in St. Louis for the funeral of Mrs. Walter Head, wife of the chairman of General American.

The section elected R. D. Taylor, general counsel of Sun Life of Canada and secretary of the section, as acting chairman.

Speakers at the morning and afternoon sessions, whose talks are reported elsewhere in this issue, included Dudley Porter, Jr., associate general counsel Provident Life & Accident; Millard Bartels, vice-president and general counsel Travelers; Ralph H. Kastner, associate general counsel of A. L. C.; Irving V. Brunstrom, attorney of A. L. C., and Gordon C. Reeves, assistant general counsel Lincoln National Life.

Careful planning will avoid most of

the legal problems arising from cases of "common disaster," where life insurance policyholders and their beneficiaries die simultaneously or within a short time of each other, Alexander H. Jeffery, counsel for London Life, said in his paper.

Common Disaster Cases

In a technical discussion of legislation and court decision in Canada, the United States and England in cases of common disaster, Mr. Jeffery said the important thing is to acquaint the insured with all aspects of the situation and, having ascertained his intentions in the light of the various contingencies, make certain that those wishes are carried out as far as careful planning will permit. The judicious use of postponement clauses and optional modes of settlement, he said, will get over most of the pitfalls.

Because Mr. Jeffery, who is a member of the Canadian parliament, had to be on hand for parliament's opening, he was unable to give his talk, which was read by John Tuck, associate general counsel Canadian Life Officers Assn.

Speaking at the legal section luncheon, A. Gordon Nairn, director of agencies for Prudential in Canada, told several of the French-Canadian dialect stories in which he is famous. He also pointed out that Canada is the third largest trading nation in the world and mentioned the large proportion of U. S. goods that Canada buys.

Counsel Kastner Points Out ILO Threat to Insurance

The life insurance business faces a threat from the International Labor Organization, Ralph H. Kastner, associate general counsel for the American Life Convention, told the legal section of that body at Toronto.

Mr. Kastner pointed out that at the last annual meeting of the general conference, the legislative organism of the ILO in Geneva, the delegates passed by a large majority certain "conclusions" about minimum standards of social security to be incorporated into an international agreement next year and be submitted to member nations for ratification.

He said that among these minimum standards is one involving coverage of life insurance, but it is expressly provided that a voluntary system of insurance cannot be counted toward com-

STATEMENT OF THE OWNERSHIP, MANAGEMENT AND CIRCULATION REQUIRED BY THE ACT OF OCTOBER 3, 1917, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1940

(Title 39, United States Code, Section 233) of the National Underwriter Life Insurance Edition, published weekly at Chicago, Ill., for Oct. 1, 1951.

1. The names and address of the publisher, editor, managing editor, and business managers are:

Publisher, The National Underwriter Co., Chicago, Ill.

Editor, None.

Managing Editor, R. B. Mitchell, Evanston, Ill.

Business Manager, R. J. O'Brien, Chicago, Ill.

2. The owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding 1 percent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a partnership or other unincorporated firm, its name and address, as well as that of each individual member, must be given.)

The National Underwriter Co., Chicago, New York, Cincinnati; John Z. Herschels and Elizabeth W. Herschels, Trustees, Cincinnati, Ohio; Levering Cartwright, Trustee for C. M. Cartwright and Katherine Cartwright, Evanston, Ill.; Hazel W. Brants, Dornier Grove, Ill.; H. J. Burridge, Cincinnati, Ohio; Lewis Cartwright, Evanston, Ill.; Russell Cartwright, Evanston, Ill.; Ruth Cartwright, Evanston, Ill.; Leslie K. Hill, Chicago, Ill.; R. E. Richman, Upper Montclair, N. J.; George W. Wadsworth, Chicago, Ill.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities are: (If there are none, so state.) None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation to the company, the name of the person or corporation for whom the trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which the stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner. The average number of copies of each issue of publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semiweekly, and triweekly newspapers only.) 7,993.

Sworn to and subscribed before me this 1st day of October, 1951.

(Seal) R. B. MITCHELL, H. E. LISTON

My commission expires Aug. 18, 1954.

A. A. Tousaw, assistant to the president of Sun Life of Canada; Alfred N. Guertin, actuary of A.L.C.; and Alexander Query, associate general counsel of Prudential.



pliance with the proposed agreement unless the insurance carrier is subsidized by the government. As a result, he added, the United States, which has more life insurance in force than the rest of the world combined, would not be able to meet the minimum standards of an international treaty covering some of the most primitive and backward nations of the earth, simply because its insurance system was free from government domination.

Mr. Kastner explained how by treaty-making power it would be possible to submit this nation to undesirable laws which could never be passed by using the normal procedure of passing a bill through both branches of Congress elected by the people, adding that since 1920 most authorities consider a treaty to be on a par with the constitution and on a level above other laws.

"For those who might be inclined to treat this matter as a 'tempest in a teapot,' he said, 'it should be of interest to note that in the past year no less than six articles have been written in the American Bar Assn. Journal alone concerning the inherent dangers to our freedom in the treaty-making power. Not only must we direct our efforts to protect the life insurance business from the threat from this source, but we must join with others who believe, as we do, in man's right to work out his own destiny with as little interference from the state as possible, and bend our every effort to guarantee that none of our sacred rights will ever be destroyed by this method.'"

Reports on Endorsements

He reported also on the increased acceptance by more states of the uniform photographic copies of business and public records as evidence act, as well as the uniform simultaneous act, both of which have American Bar Assn. endorsements, and the unclaimed funds proposals and adoption of further enabling legislation permitting or continuing contributions for defrayal of ex-

penses of the N.A.I.C. committee work on valuation of securities.

Mr. Kastner then outlined the highlights of some 300 cases reported to member companies during the year, involving such broad subjects as interpretations of war and aviation clauses, agents and solicitors, construction of the term "accidental means," murder of insured by beneficiary, premium payments on servicemen's insurance by government allotments, the determination of the "effective date" of policies, collateral assignments, policy loans, and various aspects of taxation applicable to life companies.

He called the lawyers' attention also to the case of the Oregon Medical Society, now before the United States Supreme Court for review, in which the doctors' group was alleged to have violated the Sherman anti-trust act and to have conspired to monopolize or attempted to monopolize prepaid medical care plans in their state. It was observed that the trial court judge had dismissed the complaint, on the grounds that no monopoly was being sought, but rather that the doctors were attempting to save themselves and their profession from threatened socialization.

Closing, the judge quoted from the Bar Association Journal, that: "The trend and drift towards socialized medicine should be all the lawyer needs to recognize that socialized law is but the next step for those dedicated to the socialized-police state. The socialization of the law, if lawyers permit it to come about, will ultimately contribute more to the destruction of democracy than any other thing that can happen."

Porter Discusses Validity of Oral Assignments

In a discussion of the validity of oral assignments and change in beneficiary where the first beneficiary claims vested rights, Dudley Porter, Jr., associate general counsel Provident L. & A., said that a clearly established general rule is that the insured may make a valid oral assignment. This may be done in the absence of a statute where a policy of life insurance is payable to the estate of the insured or to the executors or administrators of the insured.

Mr. Porter demonstrated by ample legal quotations that where a policy is payable to the insured's estate, an oral assignment or gift of the policy is valid against the claims of representatives of the insured's estate where there is a definite attempt to make assignment or gift where the policy is delivered to the assignee or donee and is accepted.

Likewise, he said that, as a general rule, where a policy is payable to a named beneficiary under a policy reserving the right to change, an oral assignment or gift of the policy containing these elements is valid as against a claim of the named beneficiary, except in those few states holding that a beneficiary under such a policy has a vested right or its equivalent.

Should Prohibit Assignments

According to the speaker, in those states where there is a large number of disputes between oral assignees and named beneficiaries when the representatives of the estates of insured constitute an onerous administrative burden on the stake-holding insurance company, consideration should be given to enactment of a New York type statute prohibiting all assignments.

He indicated further that as between

(CONTINUED ON PAGE 32)

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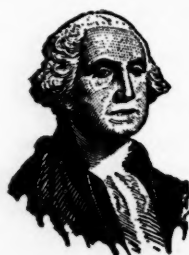


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Union Group Plans Outrun State Statutory Authority

Gordon C. Reeves, assistant general counsel Lincoln National, told the legal

section of A.L.C. that union-negotiated insurance and welfare plans have in some directions outdistanced statutory authority for making them effective. He traced the divisions of opinion between the various state legislatures, administrative officers, courts and the insurance leaders as to whether the public interest lies in expanding group definitions sufficiently to implement such plans. He expressed confidence that there will ultimately be an adjustment either in the statutory definitions or in the welfare plans, so that the coverage may be soundly written with profit to the insurer, the policyholder and the insured.

Mr. Reeves said there are rulings which demonstrate readiness on the part of several states to regulate interstate group cases. He feels that under existing authorities there is likelihood of such regulation being upheld. He termed it fortunate that the basic principles of group insurance as applied to the conventional policy to a single employer are well established and constitute good law. He said the principal concern is to make certain that these principles are soundly applied to other types of group and that the complications of their application to the diverse parties involved with the unforeseen social considerations do not lead to undesirable results.

He launched his talk with the specific example of an actual situation arising through a group plan where contributions of two or more employers are made to a fund jointly administered by employer and union representatives. A request was made for competitive bids from insurance companies and distributed by one such fund to more than 60 life companies. The material accompanying the request for bid contained the recital that various local unions affiliated with an international union had negotiated with the employers of their members for the establishment of a health and welfare fund to be created and maintained by employer contributions of a stated sum each week for each employee. The material further recited that the fund was to be administered by six trustees, three of them

appointed by the union and three by employers. Although the individual employers were not identified, it was stated that the fund was to be used to purchase group life, accident, hospitalization, surgical and disability benefits for 50,000 employees residing and working in 22 states. The insurers were asked to submit bids based upon the amount of each of the employer contributions available for each employee.

Union Assumes Validity

According to Mr. Reeves, included in the material submitted was the statement that attorneys for the union advised that the group policies would be valid in the state in which they were to be issued and hence would be valid in each of the 22 states. He said that in the particular state identified as the one in which the trustees maintained the principal office and which was apparently to be the state in which the group policies were to be delivered, there were both group life and group A. & H. statutes permitting the issuance of group policies to the trustees of a fund established by two or more employers in the same industry or by two or more unions. However, in the remaining states listed, only five had statutes specifically authorizing trustees of group life insurance and only two had statutes with respect to A. & H. insurance.

Mr. Reeves termed it obvious from the material submitted that the trustees expected to receive policies tailored to their specific needs and desires and hence not conforming to the forms which the insurer might have filed in the several states.

Variety of Problems Arise

He termed this illustration not necessarily typical but as a demonstration of some of the principal problems inherent in this type of group. Some of these problems relate to the Taft-Hartley act. Others relate to the eligibility of the group in the form of policy in the state of issue. There are problems which arise out of the interstate nature of the transaction.

While saying that he did not wish to argue the merits of the controversy, Mr. Reeves observed that certain segments of the insurance business are opposed to the extension of group life beyond groups consisting of employees of a single employer and perhaps debtor-creditor groups. This, he said, will create a situation which for the immediate future at any rate will prevent complete



G. C. Reeves



R. J. Wetterlund, president of Washington National; E. H. O'Connor, managing director of Insurance Economics Society; O. R. Ware, assistant legislative counsel Northwestern Mutual; and Clarence C. Klocksin, legislative counsel of that company.



Mrs. Alfred N. Guertin, wife of A.L.C.'s actuary; Mr. and Mrs. R. R. MacKenzie; and Mrs. Lee Parker, whose husband is president of American Service Bureau. Mr. MacKenzie is vice-president of the bureau.

formity. Generally he thought that recently enacted group life insurance statutes and amendments to existing statutes demonstrate a trend toward uniformity as between the several states.

A. & H. DEARTH

He did observe, however, that notwithstanding the frequency with which group life coverages are combined with the A. & H. coverages, singularly few state statutes establish similar or identical standards of eligibility of the group. In fact, in only one state, Iowa, are the definitions of eligible groups for both life and A. & H. combined in a single statute so the definitions are identical. He said that six states have no group A. & H. statutes and that in nine states and the District of Columbia, the only reference is a statement that policy provisions prescribed for individual A. & H. policies are not applicable to group policies issued to certain governmental branches and private employers. In the remaining states there is some species of statute defining groups eligible for A. & H. and in all states group A. & H. may be written covering employees of a single employer, although there is a wide variance as to minimum number of risks permitted and minimum percentage of participation. There are 11 states with authority for issuance to the trustees of a fund created by a single employer and 12 states which authorize policies to trustees of a fund established by two or more employers in the same industry.

On the score of problems incident to the interstate nature of group insurance, Mr. Reeves described a number of departmental rulings and the opinions of attorneys general. Opinions and rulings in Georgia, Massachusetts, Ohio and Texas bring into focus the question of extra-territorial regulation. The Texas board of commissioners ruled that if a group policy issued outside of Texas by a company licensed in that state insures any residents of Texas, the eligibility of the group must be determined by Texas law. This is basically the effect of the opinions by the attorneys general in Massachusetts and Ohio.

Three Key Opinions

The opinion of the Michigan attorney general is to the effect that a foreign insurer issuing a group policy outside of Michigan under one of the trustee plans of insurance is doing business within that state if Michigan residents are included. The Massachusetts opinion raises the question of the applicability of the resident agent laws of the several states to interstate group insurance. The Texas rulings require that policy provisions of group policies issued outside of Texas by companies licensed in the state and affecting Texas residents must conform to the requirements of that state. Not only is this

an extra-territorial regulation of an insurance transaction, Mr. Reeves observed, but seemingly it is a declaration that, as respects the conflicts of law, the Texas law must be applied regardless of the situs of the contract.

Referring to the specific example of the call for bids put out by a prospective fund, Mr. Reeves asked if each of the 21 states other than the state of delivery of the policy could insist that the eligibility of the group be determined by its own laws. He said two situations arise, the first where the insurer is licensed in each state, and then again where the insurer is not licensed in one or more of the states.

He said the Massachusetts, Ohio and Texas rulings are predicated upon the theory that a state under its police power having the right to exclude foreign insurance companies, may prescribe conditions of admission which prohibit the insurance of residents except in accordance with the laws of the specific states, even though the policies are issued and delivered elsewhere. The attorneys general of Georgia and Michigan have ruled that the activities constitute doing business within the state even though they are conducted outside the state.

Mr. Reeves observed that the original concept was that the regulatory statutes of a state have no extra-territorial effect. *Allgeyer vs. Louisiana* represented the classic example that a state cannot regulate or interfere with the activities of a foreign insurance company. This concept, he said, gave way to one of "corporate presence" which in turn is now enlarged by the test of the state's purpose and interest in the subject with respect to which the extra-territorial regulation is developed. He said the attorneys general in Michigan and Ohio take the view that the *Allgeyer* case and the decisions which follow it have been wholly abrogated insofar as it affects a state's power to regulate the activities of a foreign insurer.

He regards as the gist of the most recent decisions that the extent of the state's legislative and regulatory jurisdiction over extra-state contracts is determined by the degree of the state's governmental interest in the transaction. "So long as the U. S. Supreme Court continues to play its role of self-denial under the due process clause, the states where the insurer or insured reside or where the contract is made, can assert their interest even to the extent of enacting inconsistent regulations. The residence of trustees of a welfare fund, the domicile of an employer or residence of an insured employee are sufficient minimum contracts to permit regulation and each state may require an insurer licensed in such state to conform its group life policy to the eligibility standard prescribed by it," he declared.

Mr. Reeves said there remains a question of whether an insurer issuing a group policy covering the group de-



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President

scribed would be doing business in states other than that of the delivery of the policy, if not licensed in such states.

The courts may not apply established and familiar rules to unusual group situations and have given some indication of applying new concepts to the problems, Mr. Reeves stated. It is fairly generally held that a group policy issued to a single employer at his principal office does not develop sufficient contacts within the state in which the employer maintains a branch to support holding that an insurer is doing business therein, and it may be reasoned that these conclusions are equally compelling in the trusted group situation. He commented, "However, it must be recognized that neither the courts nor the state regulatory body may be as sympathetic toward a trusted group, and if either wish to develop contacts of the insurer with a state, they may do so with greater ease than in the employer-employee group situation."

He reported that the attorney general of Massachusetts has seized upon the resident agent law as a means of ruling against the validity of a group policy issued and delivered in another state by a company licensed in Massachusetts covering employees of employer members of an association, some of which were domiciled in that state.

Taylor Traces A.L.C. Role as Catalyst to Progress

Assessing the place of American Life Convention and reviewing its accomplishments since its

founding, Charles G. Taylor, Jr., president of Metropolitan, described A. L. C. as an important catalyst speeding up life insurance development. He characterized as the outstanding contribution of the convention the encouragement and help to those organizing and managing new life insurance companies which has resulted in the great growth that has occurred during the first half of the century in the number of legal reserve life insurance companies in the United States. He said that A. L. C. furnished a medium for formation of friendships among new life insurance executives, for the discussion of common problems and for the exchange of ideas. This aided immeasurably the development of the executive talent which was so lacking for many years for companies of all sizes.

Given Sense of Solidarity

Mr. Taylor said that in the A. L. C. the young companies had a champion that gave them a sense of solidarity and importance and a source of dependable help when needed. He commented, "Very early in the lusty growth of these companies, there developed a particularly complicated, troublesome situation resulting from the fact that most of these younger companies necessarily followed the modified preliminary term method of valuation while the older companies were on the full legal reserve basis."

American Life Convention and Assn. of Life Insurance Presidents were filled with men of good will who removed the competitive obstacle to the young companies by making it possible to have recognized ultimately in all states modified preliminary term valuations. Without A. L. C., the problem might not have been solved at all and certainly not as early as it was, he said.

Mr. Taylor recited how in 1943 the convention decided to open its membership to all companies regardless of size or geographical location, enlarging the ground work for the present happy sit-

uation in which joint committees of A. L. C. and Life Insurance Assn. cooperate in the solution of non-competitive problems of general interest.

Mr. Taylor commented, "But the American Life Convention will, I am sure, always have its primary interest in the encouragement of the young and smaller companies. Its strength will be in their membership. He would do great disservice to this business which would ever discourage this historic attitude on the part of the American Life Convention," he stated.

Mr. Taylor traced the great service the convention did in the interest of pushing the present standard valuation and non-forfeiture law, which as respect valuation is just another version of the modified preliminary term method. He

Mr. Taylor was unable to attend the A.L.C. meeting on account of illness and his address was read by W. T. Grant, chairman of Business Men's Assurance.

traced such important contributions to the business as the development by A. L. C. of an impairment service. He commented that the early organization of the legal and medical sections of the convention proved to be of tremendous value in bringing together for the discussion of common problems these two groups of specialists. He termed the agency section and the investment seminar important later additions to the convention's complement of valuable services. He said the development of the law digest and the dissemination of this information are other services vital to the young companies, especially those doing business in but a small group of states.

Sane Legislative Influence

According to Mr. Taylor, the representatives of the convention through its state vice-presidents and other company officials brought home to local authorities their interest in life insurance problems, and thus made for saner attitudes on the part of the public and for a sympathetic attitude by local legislative bodies interested in development of the companies in their respective states. He recounted that American Life Convention was from the beginning an advocate of state supervision, saying that it is undoubtedly true that under any system of nation-wide regulation there would not have been the sympathetic understanding of local problems and encouragement of local companies which has accompanied the continuation of state supervision.

Mr. Taylor described American Life Convention as having been always vigorous and aggressive and never afraid to take a stand on a subject and yet never afraid to reverse that stand when persuaded it was no longer necessary. This is well illustrated by the admission of the larger companies and by the stand on group life, he declared. When group insurance was first introduced the convention opposed the establishment of it but the attitude of the convention has changed now that this useful adjunct to life insurance service has been developed and there are now more than 100 members engaged in the group business.



At the headquarters suite of the Canadian Life Officers Assn.: Frank P. Samford, president Liberty National Life; B. M. Anderson, vice-president and general counsel of Connecticut General Life; and Commissioner Ellery Allyn of Connecticut.

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Harry Spresident of North Ame of West Co

Agency Executives' Ideas Surveyed

(CONTINUED FROM PAGE 22)

"But the employer-employee basis, with an individual being able to pile group on top of the younger group.

The marked trend toward A. & H. would do needs guidance and leadership in the interest of both buyers and sellers, the replies indicated.

An agency vice-president not in the A. & H. field feels that if agents sell much A. & H. in the last year also mentioned that it would lower their professional standing, change their psychology of selling and service and perhaps ultimately lead them into the general insurance business."

A manager whose company went into A. & H. in the last year also mentioned the danger that agents will move into the general insurance business. He believes life insurance is a big enough job for any agent and will require all the study he can take to improve his efficiency in it.

Another non-A. & H. general agent doesn't favor A. & H. as a major sales tool but believes that non-cancellable disability insurance is a necessary part of an individual's program and if handled in this way by the agent provides a better service to his client as well as a small addition to the agent's income. He fears that many companies that have lately entered the A. & H. field may discover that many agents will find they are better adapted to "one-shot" selling methods used in A. & H. and will divert their major energies in that direction to the detriment of their life production.

Backlog of Assured Income

An agency vice-president of a company for some time in the A. & H. field believes that an agent who handles A. & H. on a proper basis will add substantially to his renewal account and gain a backlog of assured income which will be of some importance to him in the years to come, particularly in his old age.

A home office man whose company has recently entered the A. & H. field replied that he was delighted to see so many companies getting into it, and that life companies should do all they can to protect the free enterprise system.

Everybody who answered endorsed institutional training programs enthusiastically. It appeared to be the feeling that far from shifting the responsibility for training from the individual company to the institutions, they have emphasized the necessity for sound and adequate company training programs, and that because of the renewed emphasis on training, the public is being served by a group of better trained field men than ever before.

There were some interesting observations on whether, despite the amount of discussion there has been about the development of assistant managers and managers, the emphasis in the last

analysis among most companies isn't on the man's record as a personal producer rather than on any demonstrated qualifications for managerial work.

One agency vice-president replied that in his opinion some companies have gone completely off the reservation, his suspicion being that it is their tremendous need of field management which causes them to appoint personal producers right and left to field management posts. However, he believes that most of the good companies have not abandoned the sound principle of developing managers and general agents through assistant managers and assistant general agents.

A manager who has developed many other managers in his agency believes that the companies must improve their selection techniques in managerial appointments, recognizing that the personal producer doesn't necessarily make a good manager.

Proselyting at New High

An agency vice-president said in his reply: "You could very easily get me raving on this particular point, the shortage of manpower, added to a great shortage of foresight on the part of a great many companies, has brought the proselyting of men and the bidding up in the manpower market to an all-time high. Our men are continually being harassed and stirred up by other companies which want to make them general agents or manager and with fabulous offers attached to these efforts. Fortunately we have not been losing our men, but this thing does keep them upset and seriously hampers their effectiveness."

"Why on earth can't companies develop their own plans for selection and training of the managerial personnel? We set up our own training program in 1943 and made it a strict rule that we would not put any man in a managerial post in our organization who had not come up through our own managerial training program, which requires a minimum of two years of training."

Up to Each Company

Another home office agency man said it seemed to him that every company has got to embark on a policy of developing its own future management. "We have seen so many situations only recently where very attractive opportunities on the part of a number of different companies have gone for weeks and months without being filled," he said. "Every company is in about the same situation in finding itself with very few men in training and available for managerial appointments. When we have a problem, we look over our own slim list and then look about to other companies. Their list is about as slim as ours and the whole institution is

just terribly lacking in the development of good management material."

A successful general agent who was formerly a home office agency man said the bare fact is that no one has yet learned how to select successful managers from the raw material available and that the qualities essential in a successful manager have not even been defined. This, he said, is a great area for future development and the problem is one that L. I. A. M. A. should bend every effort to solve.

One agency vice-president said his company's appointments are based almost 100% on demonstrated ability in supervisory work.

Chicago Agent Quoted

Mr. Worthington quoted a Chicago agent who said it was the feeling of an agents' committee of which he was a member that too many supervisors were men who could not make the grade in personal production and hence were attracted by the small amount of compensation paid to supervisors generally.

The committee's point was that other businesses select their best men to help build organizations, but that there were too many companies trying to build successful men under the direction of men who themselves were not successful. The result, the committee felt, was high

turnover, poorer service to the public, and a general lowering of morale in the agencies where this occurred.

There were varying comments on the trend toward an increase in ordinary business from brokerage sources. An agency vice-president said "The chances are that the general insurance firm will never give the same kind of professional service as a top-notch, full-time, life insurance man or a top-notch life insurance agency. An exception might occur but in general I would find it hard to imagine really quality professional service from a large group of general insurance brokers."

He went on to express a conviction that "in the long run too far a move in the brokerage direction would generally lower the quality of service to the insuring public and have an adverse effect on the full-time men. The trick is to keep it in balance."

A manager whose company is prominent in the brokerage field wrote: "It is apparent that the pressure for business on agency vice-presidents is causing many to seek every possible source of increased production. Many seem to feel that it is easier to obtain some quick production through brokerage sources than to take the time and effort necessary in building a full-time organization."

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Harry Stewart, president of West Coast Life, Mrs. D. M. Morgan, D. M. Morgan, president of Northern Life of Seattle; W. S. Connell, actuary and assistant secretary of North American Reassurance; F. V. Keesling, Jr., 1st vice-president and general counsel of West Coast Life.

Big Opportunity in Blue Collar Market

(CONTINUED FROM PAGE 23)

farm population is shrinking and the suburban population is growing more rapidly than any other group.

Mr. Zimmerman said L. I. A. M. A. studies indicate that being covered by group insurance does not influence either the frequency or amount of other insurance that people buy. This is particularly encouraging, he said, in view of the fact that there are now more than 20 million group life policyholders, a figure that would rise another 9 million if those covered by creditor group insurance were included. Similarly, there has been a growing trend toward the purchase of term. The 1950 L. I. A. M. A. survey of 23 large companies showed that 20% by volume of the insurance bought in 1950 was on a term basis. Mr. Zimmerman said the companies ranged from as little as 11.1% of term to total ordinary production to 49.8%.

Comparison With 1942

The L. I. A. M. A. buyer study for 1942 showed term insurance ranking in fourth place among the various forms of ordinary purchased. The 1949 study showed term in second place, behind ordinary life. Ordinary accounted for 34% of volume and term, exclusive of decreasing term, for 26%. Another 6% of total volume was credited to modified life, which in the early years is very close to being term.

Mentioning the amount of security coverages of one form and another that are on a group or else compulsory basis and that are paid for through salary deduction, Mr. Zimmerman said: "When we add to this the withholding tax bite, which further takes from the pay check at the source, we should at least give some thought to what might happen to the persistency of life insurance purchased voluntarily through private insurers, particularly in time of recession or depression."

Offers 10 Suggestions

Mr. Zimmerman offered 10 suggestions for the life insurance business if it is to continue to have its share of the people's investment in security. They are:

1. Life insurance has to be kept inviolate. Our business is one of trusteeship. In the public interest, we cannot afford to condone any questionable practices by anyone. This places a tremendous responsibility on state regulation of life insurance as well as on top management.
2. Life insurance must be kept competitive with other forms of savings and with other forms of insurance.
3. Life insurance must serve the entire market.
4. It must be responsive to public needs and desires. We must give the public the kind of coverage it wants and the method of premium payment it wants.

5. We must be imaginative in developing our present uses and originating new uses for life insurance.

6. We must constantly study and improve our distribution system.

7. Life insurance must capitalize on its strengths, such as the wide ownership of life insurance; the \$4 million in benefit payments going out in 1951; the public benefits accruing from life insurance investments in such things as home mortgages, business and housing developments, and in the prompt and equitable payment of accident and sickness claims by life companies.

8. We must keep the public informed on the importance of life insurance in our economic and social structure.

9. We must stand for those things which are right and oppose vigorously those things which are wrong. Life insurance companies and their representatives have an obligation to be courageous citizens and to be unselfish in the national interest.

10. We must constantly improve the character and quality of our agency forces.

Woodmen of World Life Names Sorensen, Nelson

Woodmen of the World Life has appointed Sigurd C. Sorensen comptroller. Mr. Sorensen fills the vacancy caused by the recent death of Arnold Page. Mr. Page had been comptroller for two years after 18 years with the organization.

Mr. Sorensen has been financial secretary of the Omaha camp for six years. He is succeeded in this capacity with the society's largest local camp by Harry Nelson, a veteran of 31 years at headquarters.

Mr. Sorensen joined the auditing department in 1923 after studying law and accounting at the University of Minnesota. He left the auditing department in 1930 to become manager of the clearing department of Bank of America in Los Angeles, but returned in 1933 and in 1935 was appointed field auditor. He was a veteran of the first war and reenlisted in the second war and in 1942 was assigned to the army finance department. After his army discharge he resumed work as a field auditor for the society in 1944. While with the Omaha camp, he worked hard as a field man to keep the camp in the front rank in membership of the society.

Mr. Nelson started in the actuarial department in 1920. For 20 years thereafter he served as auditor, correspondent and division head. He organized the distribution of savings department in 1940 and has since been in charge of it. In 1947 he became head auditor of the Nebraska jurisdiction and in 1949 was elected head clerk. He is president

of the national headquarters employees' Quarter Century Club.

Policyholder to Be Considered First

(CONTINUED FROM PAGE 19)

ed in the knowledge of life insurance contracts and services. He demands that this adviser be scrupulously honest and unselfish in his desire to aid him in the solution of his problem.

"With the realization that our field man is the representative of our business, that he is our ambassador of sales and service, I believe that life insurance management should make every effort toward professionalizing our field organization to the highest possible degree. We must send to the buying public, which has placed such tremendous confidence in us, men in whom we ourselves place both pride and confidence. It is the job of management to aid our agency leaders to the fullest extent in this public relations phase of our business.

Expects Economical Management

"In addition, our policyholder expects economical management in every department of company operations. Through the confidence he places in us he almost takes this for granted. We in turn must carefully scrutinize the rising expenses of operating our companies during these times. Every effort must be made to hold them in check whenever possible. We must practice what we preach, looking of course, toward rendering complete service at all times to the policyholder."

In reviewing the activities of American Life Convention the past year, Mr. Woods paid high praise to the convention's staff and to the 321 officers from members companies who have served on various convention and joint committees during the year. He said its roster is now made up of 228 companies in the two countries, representing in the United States 98% of the life insurance in force with legal reserve companies. The Canadian figures will probably be comparably as high.

Praises Canadian Companies

"We continue to grow in strength and influence as we face the problems of the business together. We have also taken advantage of each opportunity to improve the service rendered to our member companies and to the business as a whole.

"This inter-operation by companies between both countries has been healthy for the business as a whole. We have worked shoulder to shoulder, looking toward the solution of our common problems and grasping each opportunity for mutual benefit and sound growth.

He noted the constant increase in stature of the Canadian companies. "Several of them operate most effectively in our states, and I hasten to add that wherever and whenever we meet the competition is keen and hard fought. The figures reveal, however, that your field men have won in a very high percentage of cases; your record with us has been a noteworthy one, along with your splendid results within your own borders."

Mr. and Mrs. Robert Merriman left Toronto Wednesday for a trip to Chicago and the west coast. They will visit Denver, Salt Lake City, Seattle, San Francisco, Los Angeles and Dallas before returning to Scranton, Pa., where Mr. Merriman is in consulting actuarial work. He was president of Scranton Life, prior to its merger.

For E. C. McDonald, Metropolitan Life's second vice-president in charge of group sales, the A.L.C. meeting was in the nature of old home week, for he was formerly in charge of Metropolitan's Canadian head office at Toronto.

Woodson Warns Against "Green River" Ordinances

Life insurance men should be on alert to strike down any attempts the part of cities and towns to pass "Green River" type ordinances that bar door-to-door selling, where ordinance would be so general in language that by a technical interpretation it could be held to apply to life insurance salesmen, B. N. Woodson, managing director of National Association, managing director of National Association of Life Underwriters, declared at the annual dinner meeting of the combination companies section of American Life Convention at Toronto.

Mr. Woodson said ordinances of this type have been spreading fast and those who rely on oral assurances that they are not intended to apply to life insurance agents may be in for a rude awakening. He pointed out that as such ordinances are often drawn, any technical construction could make the measure applicable to the insurance agent.

While the U. S. Supreme Court has upheld the Green River type of ordinance passed in Alexandria, La., Mr. Woodson believes the weak spot in the law is its discriminatory nature and this should be stressed in fighting these ordinances often exempt salesmen of dairy products and vegetables.

Flourishing a bunch of wilted and shop-worn radishes, Mr. Woodson facetiously and half in earnest emphasized the fundamental absurdity of such ordinances by saying that a life agent could make a laughing stock of the law by a tongue-in-cheek offer of bedraggled radishes or carrots and then turning the conversation to life insurance.

Porter Discusses Validity of Oral Assignments

(CONTINUED FROM PAGE 27)

conflicting claims of an originally designated beneficiary and a subsequently designated beneficiary, where the fact establish a binding agreement between the insured and the first beneficiary to change the beneficiary or circumstances render the change inequitable the attempted change of beneficiary will not be allowed to defeat the vested right of the first beneficiary.

He said that where the dispute is between an insurer which has paid the policy proceeds to a second beneficiary and the first beneficiary alleging unproven vested rights, the insurance company, if it made payment to the second beneficiary without knowledge of the first beneficiary's vested right, will not be required to pay again.

Extend Institute Project

During the A.L.C. meeting at Toronto the Institute of Life Insurance held a regular meeting at which it was decided to extend its present collegiate-level project of providing material for secondary school teachers.

The plan is to extend to a couple of other universities the family security program that has been carried on for the last two years at University of Pennsylvania. The latter course will be continued.



Charles H. Goren, famed contract bridge expert, and Mrs. William M. Anderson, and William M. Anderson, vice-president and managing director of North American Life of Toronto, both of whom are among Canada's leading bridge players.



At the legal section luncheon: Laurence F. Lee, president Occidental of North Carolina; Robert M. Green, vice-president in charge of Prudential's Canadian head office; and W. J. Cohagan, 2nd vice-president of Prudential, Canadian head office.

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★ In the fifth year after the last of a series of uncomplicated attacks where there was no loss of time from work.

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who are continuing
to provide future
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in the best traditions
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President

"HONESTLY, IT'S THE BEST POLICY"



*"Your check
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So writes a GUARDIAN Policyholder,
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The letter continues:

"At our bank, they said yours is an excellent company and that I have a wonderful policy. It certainly means a great deal to us now.

"I shall keep you informed of any change in my condition. I am eager to work if possible. Until then, your checks will certainly help."

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Just how important this protection is to policyholders is illustrated again and again by cases in our files. This is one reason why GUARDIAN representatives are proud to offer our modern disability provision, which pays \$10 per month per \$1,000, to a wide range of prospects.

P. S.
We're currently paying additional
dividends on policies that include the
disability income provision.

The
GUARDIAN
Life Insurance Company
OF AMERICA

FIFTY UNION SQUARE NEW YORK 3. N. Y.



More about

"The Man Everybody knows"

EVERYONE knows his own Life Insurance Agent, but perhaps you've never thought that when you call upon him for advice, a number of specialists are at your service.

First, of course, there is the Agent himself. He is an insurance specialist, intensively trained to handle a highly complex job with competence. In most cases, he is capable of helping others to select precisely the right types and amounts of Life insurance for their families.

Sometimes, however, planning a sound Life insurance program for an individual is a complicated matter that is more than a "one-man job." At these times, it is helpful to be able to call on other specialists.

Take Metropolitan as an illustration. The Agent, faced with a particularly difficult problem, turns first to his District Manager who is experienced in all aspects of Life insurance. If the District Manager believes that further advice will be beneficial, then the broad experience of Home Office consultants can be utilized.

Specialists in particular phases of insurance, groups of specialists, even entire departments of the Company, may be called on to cooperate in solving the problem. For instance, your Agent is in a position to seek the advice of actuaries, investment officers, lawyers, or statisticians.

This is as it should be, for there are many

important factors to be considered when planning any program for your future security.

For example, which of the many forms or optional settlement will be best for the family? Should settlement be made as a lump sum? Should it be used to establish a life income? Should it be paid out in monthly checks over a fixed term of years? Or would some combination of lump-sum and period payment be better?

What about taxes? How may changing inheritance and income taxes affect selection of insurance and the method of settlement? What State and Federal laws covering payments to beneficiaries should be considered? How can Life insurance be best tied in with your social security?

There are many other problems, too. How can an insurance program provide for the education of children? Who should be named as beneficiary, and should the policyholder reserve the right to change beneficiaries? What's the best way to arrange a Life insurance program that will provide both maximum protection for the family, and a long retirement income for later years?

Yes, there are many problems involved in selecting the right kinds and amounts of Life insurance. Chances are your own Agent will know the answers to most, if not all of them. When he does not, though, it is possible for him to reach out in many directions for help in solving your problems.

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Metropolitan Life

(A MUTUAL



Insurance Company

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1 MADISON AVENUE, NEW YORK 10, N. Y.